

## ELECTRONIC TRANSMISSION DISCLAIMER

### STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

**IMPORTANT: You must read the following disclaimer before continuing.** This electronic transmission applies to the attached prospectus (the **Prospectus**) relating to TP ICAP plc (the **Company**) dated 7 January 2021, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus received by means of electronic communication. In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS MESSAGE, PLEASE DO NOT DISTRIBUTE OR COPY THE INFORMATION CONTAINED IN THIS ELECTRONIC TRANSMISSION, BUT INSTEAD DELETE AND DESTROY ALL COPIES OF THIS ELECTRONIC TRANSMISSION.**

You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person. The Prospectus has been prepared solely in connection with the 2 for 5 rights issue (the **Rights Issue**) of up to 225,334,552 new ordinary shares at 140.0 pence each (the **New Ordinary Shares**) in the capital of the Company, and the offer and sale of any New Ordinary Shares not taken up in the Rights Issue to certain institutional and professional investors (together with the Rights Issue, the **Offering**).

The Prospectus has been approved by the UK Financial Conduct Authority (the **FCA**) in accordance with section 87A of the Financial Services and Markets Act 2000, and will be made available to the public and has been filed with the FCA in accordance with the Prospectus Regulation Rules of the FCA. The Prospectus together with the documents incorporated into it by reference (as set out in Part VI: *"Information Incorporated by Reference"* of the Prospectus) will be made available to the public in accordance with Prospectus Regulation Rule 3.2.1 by the same being made available, free of charge, at [www.tpicap.com/investors](http://www.tpicap.com/investors). Prospective investors are advised to access such information prior to making an investment decision.

ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT, AS AMENDED (THE **SECURITIES ACT**) OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP, EXERCISED, RESOLD, RENOUNCED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN OR INTO THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

The distribution of this electronic transmission of the Prospectus along with the Rights Issue more generally may be restricted by law in certain jurisdictions 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 constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exemptions, this electronic transmission and the attached document is not for distribution in or into the United States, the Abu Dhabi Global Market, Australia, the Dubai International Financial Centre, Japan, Singapore, South Africa, Switzerland, the United Arab Emirates and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation. There will be no public offer of securities in the United States. The Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the New

Ordinary Shares, Nil Paid Rights, Fully Paid Rights or Provisional Allotment Letters to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

This electronic transmission and the attached document and the Offering when made are only addressed to and directed at persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation 2017/1129/EU) (**Qualified Investors**). This electronic transmission and the attached document must not be acted on or relied on in any member state of the European Economic Area, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only in any member state of the European Economic Area to Qualified Investors, and will be engaged in only with such persons.

**Confirmation of Your Representation:** This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company and HSBC Bank plc (**HSBC**), J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) (**J.P. Morgan**), Merrill Lynch International (**BofA**) and Peel Hunt LLP (**Peel Hunt**, together with HSBC, J.P. Morgan and BofA, the **Banks**) that (i) you are (a) a QIB acquiring such securities for its own account or for the account of another QIB or (b) acquiring such securities in “offshore transactions”, as defined in, and in reliance on, Regulation S under the Securities Act; (ii) if you are in any member state of the European Economic Area, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors to the extent you are acting on behalf of persons or entities in the European Economic Area; (iii) you are an institutional investor that is eligible to receive this document; and (iv) you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Banks nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form. None of the Banks nor any of their respective affiliates accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the New Ordinary Shares. The Banks and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

The Banks are acting exclusively for the Company and no one else in connection with the Rights Issue. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any transaction or arrangement referred to in the attached document.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic transmission and the attached document is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Dated 7 January 2021.

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly 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.**

This document comprises: a prospectus relating to TP ICAP plc (the **Company**) prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the **FCA**) under Section 73A of FSMA (the **Prospectus Regulation Rules**). This document has been approved by the FCA in accordance with Section 85 of FSMA, will be made available to the public and has been filed with the FCA in accordance with the Prospectus Regulation Rules. This document together with the documents incorporated into it by reference (as set out in Part VI: “*Information Incorporated by Reference*” of this document) will be made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules by the same being made available, free of charge, at [www.TPICAP.com/investors](http://www.TPICAP.com/investors) and at the Company’s registered office at Level 2, 155 Bishopsgate, London, EC2M 3TQ, United Kingdom.

The prospectus contained herein has been approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (the **UK Prospectus Regulation**). The FCA has only approved this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company and the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities.

The Company, the Directors and the Proposed Director, whose names appear on page 43 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Directors and the Proposed Director the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.



## **TP ICAP PLC**

**(Incorporated and registered in England and Wales with registered number 05807599)**

**2 for 5 Rights Issue of 225,334,552 New Ordinary Shares at 140.0 pence  
per New Ordinary Share**

Sole Sponsor, Sole Global Co-ordinator, Joint Bookrunner and Financial Adviser

**HSBC**

*Joint Bookrunner and Lead Financial Adviser*

**BofA Securities**

*Joint Bookrunner*

**J.P. Morgan Securities**

*Joint Bookrunner*

**Peel Hunt**

Subject to the restrictions set out below, if you sell or transfer or have sold or otherwise transferred all of your Existing Ordinary Shares (other than ex-rights) held in certificated form before 8.00 a.m. on 2 February 2021 (the **Ex-Rights Date**) please send this document together with, if applicable, the accompanying Provisional Allotment Letter, duly renounced, if and when received, immediately 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. **None of these documents should, however, 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 (subject to certain exceptions) the United States or any of the other Excluded Territories.** Please refer to paragraphs 7 and 8 of Part X: “*Terms and Conditions of the Rights Issue*” of this document if you propose to send this document and/or the Provisional Allotment Letter outside the United Kingdom. If you sell or have sold or transferred part of your holding of Existing Ordinary Shares (other than ex-rights) you should immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you sell or transfer or have sold or otherwise transferred all or some of your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear, which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. Instructions regarding split applications are set out in Part X: “*Terms and Conditions of the Rights Issue*” of this document and the Provisional Allotment Letter.

**The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or under any securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States.**

**You should read the whole of this document, any accompanying document and any documents incorporated by reference prior to making any investment decision. Your attention is drawn to Part II: "Risk Factors" of this document for a discussion of certain factors which should be taken into account when considering the matters referred to in this document and deciding whether or not to purchase the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.**

The Existing Ordinary Shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities. Applications have been made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on its main market for listed securities (together, **Admission**). It is expected that Admission will become effective, and that dealings in the New Ordinary Shares, nil paid, will commence, at 8.00 a.m. on 2 February 2021. All dealings in the New Ordinary Shares before the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place. Such dealings will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the New Ordinary Shares to be admitted to listing or dealt with on any other stock exchange.

**The distribution of this document, any other offering or public material relating to the Rights Issue and/or the Provisional Allotment Letters and/or the transfer of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares through CREST or otherwise into a jurisdiction other than the United Kingdom may be restricted by law and, accordingly, persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned. In particular, subject to certain exceptions, the documents should not be distributed, forwarded or transmitted in or into the United States or any other Excluded Territory.**

Each of HSBC Bank plc (**HSBC**), Merrill Lynch International (**BofA Securities**), J.P. Morgan Securities (**JP Morgan**) and Peel Hunt LLP (**Peel Hunt** and, together with HSBC, BofA Securities and JP Morgan, the **Underwriters**). HSBC, JP Morgan and BofA Securities are authorised by the Prudential Regulation Authority (the **PRA**) and regulated by the PRA and the FCA in the United Kingdom. Peel Hunt is regulated by the FCA. The Underwriters are acting exclusively for TP ICAP plc and no one else in connection with the Rights Issue, and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Rights Issue and will not be responsible to anyone other than TP ICAP plc for providing the protections afforded to their respective clients, or for providing advice, in relation to the Rights Issue or any other transaction, arrangement or matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on BofA Securities, HSBC, JP Morgan and Peel Hunt by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither BofA Securities, HSBC, JP Morgan, Peel Hunt nor any of their respective affiliates, directors, officers, employees or advisers accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to 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 behalf of it, the Company, the Directors, the Proposed Director or any other person, in connection with the Company or the Rights Issue, and nothing in this document should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of BofA Securities, HSBC, JP Morgan, Peel Hunt and their respective affiliates, directors, officers, employees and advisers accordingly disclaims to the fullest extent permitted by law all and any responsibility or liability whatsoever, 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.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal, financial or tax adviser in connection with the purchase of the New Ordinary Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any New Ordinary Shares offered by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

The investors also acknowledge that: (i) they have not relied on BofA Securities, HSBC, JP Morgan, Peel Hunt or any person affiliated with BofA Securities, HSBC, JP Morgan, or Peel Hunt in connection with any investigation of the accuracy of any information contained in this document or their investment decision; (ii) they have relied only on the information contained in this document; and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or

the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, BofA Securities, HSBC, JP Morgan or Peel Hunt.

In connection with the withdrawal of the United Kingdom from the European Union, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International and Peel Hunt LLP may, at their discretion, undertake their obligations in connection with the Rights Issue by any of their affiliates based in the European Economic Area.

Subject to the passing of the resolution at the General Meeting (the **Resolution**), it is expected that Qualifying CREST Shareholders of TP ICAP (other than, subject to certain exceptions, those with registered addresses in the United States or any other Excluded Territory) will receive a credit to the appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 2 February 2021. The Nil Paid Rights so credited in CREST are expected to be enabled for settlement by Euroclear as soon as practicable after Admission. Qualifying CREST Shareholders should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Rights Issue.

The Rights Issue has been fully underwritten by the Underwriters in accordance with the terms and subject to the conditions of the Underwriting Agreement. The Underwriters' obligations under the Underwriting Agreement are conditional upon certain matters being satisfied or not breached prior to Admission. If these conditions are not satisfied or (where permitted) waived by Admission, the Underwriting Agreement will terminate. After Admission, the Underwriters have no right to terminate the Underwriting Agreement.

In connection with the Rights Issue, the Underwriters and any of their respective affiliates may, in accordance with applicable legal and regulatory provisions, take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares in the Rights Issue as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Nil Paid Rights, Fully Paid Rights and New Ordinary Shares) and may offer or sell such securities otherwise than in connection with the Rights Issue (including through coordinated action to dispose of any New Ordinary Shares which they are required to subscribe for as underwriters), provided that the Underwriters and their respective affiliates may not engage in short selling for the purpose of hedging their commitments under the Underwriting Agreement (subject to certain exceptions contained in the Underwriting Agreement). Accordingly, references in this document to Nil Paid Rights, Fully Paid Rights and New Ordinary Shares being offered or placed should be read as including any offering or placement of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares are not transferrable, except in accordance with, and the distribution of this documents is subject to, the restrictions set out in paragraph 7 of Part X: "*Terms and Conditions of the Rights Issue*" of this document. No action has been taken by the Company or the Underwriters that would permit a public offer of the New Ordinary Shares or rights thereto or possession or distribution of this document or any other offering or publicity material or the Provisional Allotment Letters, the Nil Paid Rights or the Fully Paid Rights in any jurisdiction where action for that purpose is required except pursuant to an applicable exemption from registration or qualification requirements.

The latest time and date for acceptance of, and payment in full for, New Ordinary Shares is expected to be 11.00 a.m. on 16 February 2021. The procedure for acceptance and payment is set out in Part X: "*Terms and Conditions of the Rights Issue*" of this document and, for Qualifying Non-CREST Shareholders only, also in the Provisional Allotment Letter. Qualifying CREST Shareholders should refer to paragraph 5 of Part X: "*Terms and Conditions of the Rights Issue*."

Qualifying CREST Shareholders should note that they will receive no further written communication from the Company in respect of the Rights Issue. They should accordingly retain this document for, among other things, details of the action they should take in respect of the Rights Issue. Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Rights Issue. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Copies of this document are available free of charge from TP ICAP plc, Level 2, 155 Bishopsgate, London, EC2M 3TQ, United Kingdom, and on the website, [www.TPICAP.com](http://www.TPICAP.com).

## Notice to Overseas Shareholders

The distribution of this document and the Rights Issue may be restricted by law in certain jurisdictions. The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares have not been and will not be registered or qualified under the relevant laws of any state, province or territory of the Excluded Territories and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Excluded Territories except pursuant to an applicable exemption from registration or qualification requirements. This document and the Provisional Allotment Letter do not constitute an offer to sell or issue, or a solicitation of an offer to buy or subscribe for, any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to certain very limited exceptions, neither this document nor any Provisional Allotment Letters will be distributed in or into any Excluded Territory, including the United States, and neither this document nor any Provisional Allotment Letter (if and when received) constitute a public offer of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares to any Shareholder with a registered address in, or who is resident or located in (as applicable), any Excluded Territory.

The attention of Overseas Shareholders and any person (including, without limitation, nominees, custodians or trustees) who has a contractual or legal obligation to forward this document and any accompanying documents to a jurisdiction outside the United Kingdom is drawn to paragraphs 7 and 8 of Part X: “*Terms and Conditions of the Rights Issue*” of this document.

## Notice to U.S. Shareholders

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States or any of the other Excluded Territories.

**The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

The Underwriters may arrange for the offer of the New Ordinary Shares not taken up in the Rights Issue in the United States only to persons reasonably believed to be “qualified institutional buyers”, as defined in Rule 144A under the U.S. Securities Act (**QIBs**), in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The New Ordinary Shares, the Nil Paid Rights and the Fully Paid Rights are being offered outside the United States in reliance on Regulation S under the U.S. Securities Act (**Regulation S**).

**Prospective investors are hereby notified that the sellers of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder.**

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares within the United States by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the U.S. Securities Act.

Any person in the United States who obtains a copy of this document and/or the Provisional Allotment Letter and who is not a QIB is required to disregard it.

## Notice to All Investors

Any reproduction or distribution of this document in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares is prohibited, except to the extent such information is available

publicly. By accepting delivery of this document, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares agrees to the foregoing.

No action has been taken by the Company or the Underwriters that would permit a public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares or possession or distribution of this document, the Provisional Allotment Letters or any other offering or publicity material relating to the Rights Issue in any jurisdiction where action for that purpose is required, other than the United Kingdom. None of the Company, BofA Securities, HSBC, JP Morgan, Peel Hunt or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of Provisional Allotment Letters, Nil Paid Rights, Fully Paid Rights or New Ordinary Shares regarding the legality of an investment in the Rights Issue by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase or acquisition under the Rights Issue.

### **Information to Distributors**

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares have been subject to a product approval process, which has determined that the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares may decline and investors could lose all or part of their investment; the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares and determining appropriate distribution channels.

**SUBJECT TO CERTAIN VERY LIMITED EXCEPTIONS, THE RIGHTS ISSUE DESCRIBED IN THIS DOCUMENT IS NOT BEING MADE TO INVESTORS WHO ARE IN THE UNITED STATES OR ANY OTHER EXCLUDED TERRITORY AND NO DOCUMENT ISSUED BY THE COMPANY IN CONNECTION WITH THE RIGHTS ISSUE IS OR CONSTITUTES AN INVITATION OR OFFER OF SECURITIES FOR SUBSCRIPTION, SALE OR PURCHASE TO ANY PERSON WITH A REGISTERED ADDRESS, OR WHO IS RESIDENT OR LOCATED, IN THE UNITED STATES OR ANY OTHER EXCLUDED TERRITORY.**

### **WHERE TO FIND HELP**

Part X: “*Terms and Conditions of the Rights Issue*” of this document answers some of the questions most often asked by shareholders about rights issues. If you have further questions, please call Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

This document is dated 7 January 2021.

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## PART I

### SUMMARY

#### INTRODUCTION AND WARNINGS

##### *Name and international securities identifier (ISIN) number of the securities*

Ordinary Shares; ISIN code GB00B1H0DZ51. Nil Paid Rights; ISIN code GB00BMCFLY79. Fully Paid Rights; ISIN code GB00BMCFLZ86.

##### *Identity and contact details of the issuer, including its legal entity identifier*

TP ICAP plc (the **Company** and, together with its subsidiaries, the **TP ICAP Group**) is a public limited company, incorporated in England and Wales. The Company's registered office is at Floor 2, 155 Bishopsgate, London, EC2M 3TQ, United Kingdom. The Company's telephone number is +44 (0)20 7200 7000. The Company's LEI is 5493009UWRK48KKUD358.

##### *Identity and contact details of the competent authority approving the prospectus*

This document has been approved by the FCA, as competent authority, with its head office at 12 Endeavour Square, London, United Kingdom, E20 1JN, and telephone number: +44 20 7066 1000, in accordance with the UK version of Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (EUWA) (the **UK Prospectus Regulation**).

##### *Date of approval of the document*

This document was approved as a prospectus by the FCA on 7 January 2021.

##### *Warning*

This summary has been prepared in accordance with Article 7 of the UK Prospectus Regulation and should be read as an introduction to the document. Any decision to invest in the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares should be based on consideration of the document as a whole by the investor. The investor could lose all or part of its invested capital. Where a claim relating to the information contained in the document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the document or it does not provide, when read together with the other parts of the document, key information in order to aid investors when considering whether to invest in such securities.

#### KEY INFORMATION ON THE ISSUER

##### *Who is the issuer of the securities?*

##### *Domicile and legal form, LEI, the law under which it operates and its country of incorporation*

The Company was incorporated and registered in England and Wales under the Companies Act 1985 as a public company limited by shares under the name New CST plc on 5 May 2006 with registered number 05807599. On 15 December 2006 the Company's name was changed to Tullett Prebon plc and then on 28 December 2016 to TP ICAP plc. The Company's LEI is 5493009UWRK48KKUD358.

##### *Principal activities*

The TP ICAP Group operates at the centre of global wholesale over-the-counter (**OTC**) and exchange-traded markets, providing both data and execution services. The TP ICAP Group provides broking services, including facilitating price discovery and execution, to counterparties operating in the world's major wholesale OTC and exchange-traded financial and commodity markets. The TP ICAP Group is active across all major capital, energy and commodities asset classes, facilitating the flow of these asset classes around the world and contributing to economic growth and financial stability.

##### *Major shareholders, including whether the Company is directly or indirectly owned or controlled and by whom*

As at 5 January 2021 (being the latest practicable date prior to publication of this document), in so far as it has been notified to TP ICAP plc pursuant to the Companies Act 2006 and/or Chapter 5 of the disclosure guidance

and transparency rules made by the FCA pursuant to section 73A of the Financial Services and Markets Act 2000 (the **FSMA**) (the **Disclosure Guidance and Transparency Rules**), in the name of each person who, directly or indirectly, has an interest in voting rights representing 3 per cent. or more of the total voting rights in respect of the Company's issued share capital and the amount of such person's interest (based on the issued ordinary share capital of TP ICAP plc as at 5 January 2021), are set out below:

<u>Name</u>	<u>As at 5 January 2021</u>	
	<u>Number of Ordinary Shares</u>	<u>Percentage of Ordinary Shares</u>
Schroders plc . . . . .	69,951,926	12.417
Jupiter Fund Management Plc . . . . .	49,866,777	8.852
Liontrust Asset Management . . . . .	28,534,751	5.070
Silchester International Investors LLP . . . . .	27,955,435	5.040

*Identity of the Company's key managing directors*

The executive directors of the TP ICAP Group are Nicolas Breteau (Chief Executive Officer), Robin Stewart (Chief Financial Officer) and Philip Price (Group General Counsel).

*Identity of the Company's statutory auditors*

Deloitte LLP, with its address at 1 New Street Square, London, EC4A 3HQ, United Kingdom, is the statutory auditor to TP ICAP.

***What is the key financial information regarding the issue?***

*Selected historical financial information*

The tables below set out summary financial information for TP ICAP for the periods indicated. The data below has been extracted without material adjustment from TP ICAP Group's audited consolidated financial statements as at and for the years ended 31 December 2017 (the **TP ICAP 2017 Financial Statements**), 2018 (the **TP ICAP 2018 Financial Statements**) and 2019 (the **TP ICAP 2019 Financial Statements**) prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**) and TP ICAP Group's unaudited interim financial statements as at and for the nine months ended 30 September 2020 prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the European Union (**IAS 34**) (except for the omission of separate disclosures of financial information for the three month period commencing 1 July 2020 and ending 30 September 2020) (the **TP ICAP 2020 Interim Financial Statements**) (together, the **TP ICAP Consolidated Financial Statements**).

**Consolidated Income Statement**

	<u>Year ended 31 December</u>			<u>Nine months ended 30 September</u>	
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2020</u>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
		<i>(£ million)</i>		<i>(£ million)</i>	
Revenue . . . . .	1,757	1,763	1,833	1,400	1,378
Operating profit . . . . .	102	93	142	164	147
Profit for the period . . . . .	87	35	68	104	81

**Consolidated Balance Sheet**

	<u>As at 31 December</u>			<u>As at 30 September</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
		<i>(£ million)</i>		<i>(£ million)</i>
Total assets . . . . .	37,373	25,513	52,065	73,681
Total liabilities . . . . .	(35,540)	(23,683)	(50,335)	(71,917)
Total equity . . . . .	1,833	1,830	1,730	1,764

## Condensed Consolidated Cash Flow Statement

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
		(£ million)		(£ million)	
Cash flows from operating activities . . . . .	87	149	148	26	75
Net cash flows from investment activities . . . . .	(84)	(71)	(55)	(33)	(73)
Net cash flows from financing activities . . . . .	(49)	(51)	(71)	(6)	(5)

The tables below set out summary financial information for the Liquidnet Group for the periods indicated, reported in accordance with **IFRS**. The data below has been extracted without material adjustment from the Liquidnet Group's historical financial information as at and for the years ended 31 December 2019, 2018 and 2017 (the **Liquidnet Historical Financial Information**) and the Liquidnet Group's unaudited historical financial information as at and for the nine months ended 30 September 2020 (the **Liquidnet 2020 Interim Financial Statements**) (together, the **Liquidnet Consolidated Financial Information**).

## Consolidated Income Statement

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
		(\$ million)		(\$ million)	
Revenue . . . . .	318.3	341.5	302.2	225.7	254.6
Operating profit . . . . .	71.9	54.7	(3.6)	2.9	6.7
Profit for the period . . . . .	38.0	29.9	(12.8)	(8.5)	(4.0)

## Consolidated Balance Sheet

	As at 31 December			As at 30 September
	2017	2018	2019	2020
	(audited)	(audited)	(audited)	(unaudited)
		(\$ million)		(\$ million)
Total assets . . . . .	571.4	677.0	617.5	660.9
Total liabilities . . . . .	(377.5)	(451.1)	(389.9)	(417.7)
Total equity . . . . .	193.8	225.9	227.6	243.2

## Condensed Consolidated Cash Flow Statement

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
		(£ million)		(£ million)	
Cash flows from operating activities . . . . .	106.2	80.0	16.2	11.7	65.8
Net cash flows from investment activities . . . . .	(41.7)	(61.0)	(60.7)	(52.6)	(14.6)
Net cash flows from financing activities . . . . .	20.0	(23.3)	(63.4)	(39.7)	8.0

## Selected unaudited pro forma financial information

The unaudited pro forma statement of net assets and the pro forma consolidated income statements (together, the **Unaudited Pro Forma Financial Information**) set out below have been prepared for illustrative purposes only, to illustrate the effect on the profit and financial position of the TP ICAP Group of the Rights Issue and the acquisition of the Liquidnet Group (the **Acquisition**). The unaudited pro forma statement of net assets has been presented assuming the Rights Issue and the Acquisition occurred on 30 September 2020. The unaudited pro forma income statements for the year ended 31 December 2019 and for the nine months ended 30 September 2020 have been presented assuming that the Acquisition occurred on 1 January 2019 and 1 January 2020, respectively. The Unaudited Pro Forma Financial Information, by its nature, addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of the TP ICAP Group and the Liquidnet Group (when combined together, the **Enlarged Group** or the **Group**, as the context requires). Such information may not, therefore, give a true picture of the Group's financial position or results of operations nor is it indicative of its results. The Unaudited Pro Forma Financial Information has been prepared

in accordance with the UK version of Annex 20 of Commission Delegated Regulation (EU) 2019/980 (which is part of UK law by virtue of the EUWA) supplementing the UK Prospectus Regulation. The Unaudited Pro Forma Financial Information has not been prepared, and shall not be construed as having been prepared, in accordance with the Regulation S-X under the U.S. Securities Act.

The Unaudited Pro Forma Financial Information is based on the TP ICAP Group's unaudited consolidated balance sheet as at 30 September 2020, the TP ICAP Group's audited consolidated income statement for the year ended 31 December 2019 and TP ICAP Group's unaudited consolidated income statement for the nine months ended 30 September 2020 and is stated on the basis of the accounting policies of the TP ICAP Group set out in the TP ICAP 2019 Financial Statements.

#### Unaudited Pro Forma Statement of Net Assets

The following unaudited pro forma statement of net assets of the Enlarged Group has been prepared to illustrate the consolidated statement of net assets of the TP ICAP Group as if the Acquisition had taken place on 30 September 2020.

	TP ICAP as at 30 September 2020	Liquidnet as at 30 September 2020	Adjustments			Pro forma net assets as at 30 September 2020
			Rights issue	Draw down on Facilities	Consideration paid and net intangible assets	
			(£ million )			
Non-current assets . . . . .	1,941.0	200.3	—	—	274.5	2,415.8
Current assets . . . . .	71,740.0	293.2	311.1	81.0	(392.1)	72,033.2
<b>Total assets . . . . .</b>	<b>73,681.0</b>	<b>493.6</b>	<b>311.1</b>	<b>81.0</b>	<b>(117.6)</b>	<b>74,449.1</b>
Current liabilities . . . . .	(70,916.0)	(133.8)	—	(81.0)	—	(71,130.9)
Non-current liabilities . . . . .	(1,001.0)	(178.1)	—	—	(64.0)	(1,243.1)
<b>Total liabilities . . . . .</b>	<b>(71,917.0)</b>	<b>(312.0)</b>	<b>—</b>	<b>(81.0)</b>	<b>(64.0)</b>	<b>(72,374.0)</b>
<b>Net assets . . . . .</b>	<b>1,764.0</b>	<b>181.6</b>	<b>311.1</b>	<b>—</b>	<b>(181.6)</b>	<b>2,075.1</b>

#### Unaudited Pro Forma Income Statement for the year ended 31 December 2019

The following unaudited pro forma income statement of the Enlarged Group has been prepared to illustrate the consolidated statement of operating income of the TP ICAP Group as if the Acquisition had taken place on 1 January 2019.

	TP ICAP for the year ended 31 December 2019	Adjustments		Pro forma for the year ended 31 December 2019
		Liquidnet for the year ended 31 December 2019	Acquisition	
		(£ million )		
Revenue . . . . .	1,833.0	236.1	—	2,069.1
Operating profit—underlying . . . . .	279.0	(2.8)	—	276.2
Operating profit—reported . . . . .	142.0	(2.8)	(16.5)	122.7
Profit for the period . . . . .	68.0	(10.0)	(16.0)	42.1

#### Unaudited Pro Forma Income Statement for the nine months ended 30 September 2020

The following unaudited pro forma income statement of Enlarged Group has been prepared to illustrate the consolidated income statement of the TP ICAP Group as if the Acquisition had taken place on 1 January 2020.

	TP ICAP for the nine months ended 30 September 2020	Adjustments		Pro forma for the nine months ended 30 September 2020
		Liquidnet for the nine months ended 30 September 2020	Acquisition	
		(£ million )		
Revenue . . . . .	1,378.0	198.9	—	1,576.9
Operating profit—underlying . . . . .	218.0	5.3	—	223.3
Operating profit—reported . . . . .	147.0	5.3	(11.9)	140.4
Profit for the period . . . . .	81.0	(3.1)	(11.7)	66.2

### *Other key financial information*

There has been no significant change in the financial performance and financial position of the TP ICAP Group since 30 September 2020, being the end of the last financial period for which financial information has been published.

There has been no significant change in the financial position or financial performance of the Liquidnet Group since 30 September 2020, being the date to which the latest interim financial information of the Liquidnet Group has been published.

No profit forecast has been included in this document. There are no qualifications in the audit reports covering the historical financial information of either the TP ICAP Group or the Liquidnet Group for the years ended 31 December 2017, 2018 and 2019.

### ***What are the key risks that are specific to the issuer?***

The following is a selection of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the TP ICAP Group's, the Liquidnet Group's and the Enlarged Group's businesses, financial condition, results of operations and prospects. In making the selection, the following circumstances have been considered: the probability of a risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of a risk could have, and the attention that management would, on the basis of current expectations, need to devote to managing these risks if they were to materialise.

The TP ICAP Group and the Liquidnet Group operate and the Enlarged Group will operate in highly competitive markets and competition could intensify in the future.

The TP ICAP Group and the Liquidnet Group currently operate in market conditions that remain challenging across a number of product areas. The markets in which the Enlarged Group will operate may be subject to reduced trading activity driven by low trading volumes and market uncertainty.

The ongoing COVID-19 (coronavirus) pandemic may adversely impact the Enlarged Group's business in a number of areas, including its revenues, operational risks and strategy.

The TP ICAP Group and the Liquidnet Group require, and the Enlarged Group will require, access to exchanges and trading venues, settlement services, clearing organisations and other market infrastructure arrangements without which their ability to undertake some or all of their activities would be adversely affected.

The completion of the Acquisition (the **Completion of the Acquisition**) is conditional and the conditions may fail to be satisfied, which could result in the delay of Completion of the Acquisition or could result in the Acquisition not becoming effective, preventing TP ICAP from realising the anticipated benefits of the Acquisition and could result in TP ICAP incurring certain liabilities and other additional costs.

The planned for benefits of the Acquisition may fail to be achieved within the stated time period, or at all, because of a number of factors, any of which may have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Changes in market dynamics or structure as a result of regulatory changes or a rapid change in the method of broking in one or more products are difficult to accurately predict and could significantly undermine the Enlarged Group's business and profitability.

The TP ICAP Group and the Liquidnet Group operate and the Enlarged Group will operate in a regulated environment that imposes significant compliance requirements and changes in regulations may increase the cost and complexity of doing business.

The TP ICAP Group and the Liquidnet Group require and the Enlarged Group will require significant liquidity to facilitate its operations and insufficient liquidity could adversely impact the Enlarged Group's operations.

## **KEY INFORMATION ON THE SECURITIES**

### ***What are the main features of the securities?***

#### *Type, class and ISIN*

The Rights Issue is being made to all Shareholders on the register of members of the Company at close of business on 27 January 2021 (the **Record Date**). Pursuant to the Rights Issue, the Company is proposing to offer 225,334,552 New Ordinary Shares to Qualifying Shareholders at 140.0 pence per New Ordinary Share.

Each New Ordinary Share is expected to be issued at a premium of 115.0 pence to its nominal value of 25 pence.

When admitted to trading on the LSE, the New Ordinary Shares will be registered with ISIN GB00B1H0DZ51. The ISIN for the Nil Paid Rights is GB00BMCFLY79 and the ISIN for the Fully Paid Rights is GB00BMCFLZ86.

*Currency, denomination, par value, the number of securities issued and the term of the securities*

The issued and fully paid share capital of the Company as at 5 January 2021 (being the latest practicable date prior to publication of this document) was 563,336,380 Ordinary Shares, each with a nominal value of 25 pence each. The Ordinary Shares in issue are in registered form, may be held in either certificated or uncertificated form and title to such uncertificated shares may be transferred by means of a relevant system (as defined in the CREST Regulations).

*Rights attached to the securities*

Each New Ordinary Share will rank *pari passu* in all respects with each other and with each Existing Ordinary Share and will have the same rights and restrictions as each other and as each Existing Ordinary Share.

*Seniority of the securities in the Company's capital structure in the event of insolvency*

Each New Ordinary Share will rank *pari passu* in all respects with each other and with each Existing Ordinary Share in the event of insolvency, in accordance with the Companies Act.

*Restrictions on the free transferability of the securities*

There are no restrictions on the free transferability of the New Ordinary Shares or the Existing Ordinary Shares.

*Dividend or pay-out policy*

The Directors believe the Acquisition represents a transformational step in TP ICAP's goal of expanding its proposition as a leading global provider of infrastructure for wholesale financial markets, capable of delivering strong growth over time as it seeks to take advantage of market evolution and drive long-term growth and shareholder value. In recommending the Acquisition for approval by TP ICAP shareholders, the Board has taken into account its view of the medium-term sustainable cash flow generation and capital allocation priorities of the Enlarged Group, including the importance of the dividend to TP ICAP shareholders.

As previously announced, if the Acquisition is approved by TP ICAP shareholders, the Board intends to recommend a one-off 50 per cent. reduction of the minimum £94 million dividend in respect of the financial year ending 31 December 2020. This will help fund the Acquisition and minimise dilution of earnings on a per share basis of the Enlarged Group as a result of the Rights Issue.

For the financial year ending 31 December 2021 onwards, the Board intends to introduce a new dividend policy that will target a dividend cover of approximately 2x underlying earnings (defined as profit for the year adjusted for acquisition, disposal and integration costs, exceptional items and taxation). The new dividend policy reflects a balanced approach to capital allocation that is expected to allow the Enlarged Group to invest to drive growth, while allowing dividends to increase with the progress of underlying earnings.

*Where will the securities be traded?*

Application will be made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

*Is there a guarantee attached to the securities?*

No.

*What are the key risks that are specific to the securities?*

The value of an investment in the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares may go down as well as up and any fluctuations may be material.

A trading market for the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not develop, as expected or at all.

The market price for the Ordinary Shares may decline below the Rights Issue Price.

Shareholders in the United States and other jurisdictions outside the United Kingdom may not be able to take up their entitlements under the Rights Issue.

Shareholders who do not (or are not permitted to) subscribe for New Ordinary Shares in the Rights Issue will experience dilution in their ownership of TP ICAP.

## **KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND ADMISSION TO TRADING ON A REGULATED MARKET**

### ***Under which conditions and timetable can I invest in this security?***

The Company proposes to offer New Ordinary Shares pursuant to the Rights Issue to Qualifying Shareholders (other than, subject to certain very limited exceptions, shareholders with a registered address or which are resident or located in the United States or any of the Abu Dhabi Global Market, Australia, the Dubai International Financial Centre, Japan, Singapore, South Africa, Switzerland or the United Arab Emirates and any other jurisdiction where the extension and availability of the Rights Issue (and any other transaction contemplated in relation to it) would breach any applicable laws or regulations (the **Excluded Territories**)).

The Rights Issue is made on the basis of 2 New Ordinary Shares for every 5 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. Qualifying Shareholders with fewer than 5 Existing Ordinary Shares at the close of business on the Record Date will not be entitled to subscribe for any New Ordinary Shares under the terms of the Rights Issue.

The Rights Issue Price of 140.0 pence per New Ordinary Share represents a 43.2 per cent. discount to the Closing Price of 246.6 pence per Existing Ordinary Share on 6 January 2021, being the last Business Day before the announcement of the Rights Issue. Additionally, it represents an approximately 35.2 per cent. discount to the theoretical ex-rights price of 216.1 pence per New Ordinary Share calculated by reference to that Closing Price. The Directors believe that it is necessary to offer the New Ordinary Shares at a discount to complete the Rights Issue to allow the Company to raise the required funding and accordingly believe that such discount is in the best interests of the Shareholders, and that the Rights Issue Price is appropriate for the Rights Issue.

The Rights Issue will result in 225,334,552 New Ordinary Shares being issued (representing approximately 40.0 per cent. of the existing issued share capital of the Company and 28.6 per cent. of the enlarged issued share capital of the Company immediately following Admission of the New Ordinary Shares).

The Rights Issue is fully underwritten by the Underwriters pursuant to the terms and subject to the conditions of the Underwriting Agreement.

The Rights Issue is conditional, inter alia, upon (a) the passing of the Resolution at the General Meeting; (b) the Underwriting Agreement becoming unconditional; and (c) Admission becoming effective.

It is expected that admission of the New Ordinary Shares (nil paid) will become effective and that dealings in the New Ordinary Shares (nil paid) will commence at 8.00 a.m. on 2 February 2021.

The last time and date for acceptance and payment in full under the Rights Issue is expected to be no later than 11.00 a.m. on 16 February 2021.

### ***Why is this document being produced?***

The Company proposes to issue 225,334,552 New Ordinary Shares in connection with the Rights Issue.

Through the issue of the New Ordinary Shares, the Company expects to raise gross proceeds of approximately £315 million. The costs related to the Rights Issue to be borne by the Company are estimated to be approximately £12.5 million, which the Company intends to pay with existing resources.

The proceeds of the Rights Issue will form a portion of the consideration for the Acquisition. If the Acquisition does not complete, the Company may determine that it is in the best interest of Shareholders to return the proceeds of the Rights Issue to Shareholders in a timely and efficient manner or to retain some or all of the proceeds for general corporate purposes.

## PART II

### RISK FACTORS

Any investment in Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares is subject to a number of risks. Accordingly, investors and prospective investors in the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares should carefully consider the following risks and uncertainties together with all the other information set out in, or incorporated by reference into, this Prospectus prior to making any decision relating to the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares. The risks described below are based on information known at the date of this Prospectus, but may not be the only risks to which the TP ICAP Group, the Liquidnet Group and, after Completion of the Acquisition, the Enlarged Group are or might be exposed. Additional risks and uncertainties, which are currently unknown to the Directors and the Proposed Director or that the Directors and the Proposed Director do not currently consider to be material, may materially affect the business of the Group and could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group. This Prospectus also contains estimates that involve risks and uncertainties. The Group's results may differ significantly from those previously estimated as a result of certain factors, including the risks as described below.

If any of the following risks were to occur, the business, financial condition, results of operations and/or prospects of the Group could be materially adversely affected and the value of the Ordinary Shares could decline and investors could lose all or part of the value of their investment in the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares.

Investors and prospective investors should read this Prospectus as a whole and not rely solely on the information set out in this section. The financial information set out in this section has been extracted without material adjustment from the financial information referred to in Part XVI: “*Selected Financial Information of the TP ICAP Group*”, Part XVIII: “*Historical Financial Information of the TP ICAP Group*” (which has been incorporated into this Prospectus by reference), Part XVII: “*Selected Financial Information of the Liquidnet Group*” and Part XIX: “*Historical Financial Information of the Liquidnet Group*.”

#### **1. RISKS RELATING TO THE TP ICAP GROUP'S AND LIQUIDNET GROUP'S BUSINESS AND INDUSTRY**

##### **1.1 *The markets in which the TP ICAP Group and the Liquidnet Group operate, including the financial technology industry generally and the financial markets, in particular, are highly competitive and competition could intensify in the future. If the Enlarged Group is unable to continue to compete effectively for any reason, certain aspects of its business may be materially adversely affected which could result in lower revenue, increased costs, loss of opportunities or damage to the Enlarged Group's reputation.***

The TP ICAP Group and the Liquidnet Group have, and the Enlarged Group will have, numerous current and prospective competitors in each of their key markets. Some of their competitors and potential competitors may have, in certain markets, larger customer bases, more established name recognition and greater financial, marketing, technology and personnel resources, or may be able to offer services that are significantly cheaper than the services offered by the Enlarged Group or are otherwise disruptive to the Enlarged Group's market assumptions. Some of these competitors may be able to respond more quickly to new or evolving opportunities, technologies, client requirements and industry standards than the TP ICAP Group, the Liquidnet Group or the Enlarged Group, and may be able to undertake more extensive marketing activities. The Enlarged Group may also face competition in the future from new entrants, or from the introduction of new and more advanced technologies, in its markets, particularly those markets where it enjoys a scale advantage.

The Enlarged Group's competitors may be able to:

- develop services similar to those of the Enlarged Group or new services that are more attractive to clients;
- provide access to trading in products or a range of products that the TP ICAP Group or the Liquidnet Group do not currently provide, or that the Enlarged Group is unable to offer;
- provide better execution and lower transaction costs;
- adapt more swiftly to new or emerging technologies and changes in client requirements;
- provide new services to clients more quickly and efficiently;
- offer better, faster and more reliable technology to support client needs and requirements;



- take greater advantage of acquisitions, alliances and other opportunities;
- market, promote and sell their services more effectively to the clients of the TP ICAP Group or the Liquidnet Group;
- hire TP ICAP Group or Liquidnet Group brokers and other key revenue-generating employees and key managerial staff;
- migrate products to new broking platforms or venues which could move trading activity away from the TP ICAP Group or the Liquidnet Group;
- better leverage their relationships with their clients, including new classes of clients in order to generate greater revenues; or
- offer better contractual terms to clients.

The TP ICAP Group has experienced intense price competition in its voice brokerage business in recent years. In addition, as the historical markets for OTC products shift to become more commoditised due, in part, to central counterparty clearing and electronic execution, the Enlarged Group could lose market share to other inter-dealer brokers, exchanges and electronic multi-dealer brokers who specialise in providing brokerage services in more commoditised markets or who have a broader client base. Furthermore, new or existing competitors could gain access to markets or products in which the TP ICAP Group and the Liquidnet Group currently enjoy a scale or competitive advantage. Such competitors may have a greater ability to offer new services, or provide existing services to more diverse clients, and this may result in competitors gaining market share. Even if new or existing competitors do not significantly erode the Enlarged Group's market share, they may offer their services at lower prices and the Enlarged Group may be required to reduce its brokerage commissions to remain competitive, which could have a material adverse effect on its revenue and profitability. There can be no assurance that the Enlarged Group will have sufficient resources to continue to make discretionary investment in the development of its services to clients or that it will otherwise be successful in maintaining its current market position.

Any of the foregoing factors could materially and adversely affect the Enlarged Group's business, financial condition and results of operations.

**1.2 *The TP ICAP Group and the Liquidnet Group operate in market conditions that remain challenging across a number of product areas. The markets in which the TP ICAP Group and the Liquidnet Group operate may be subject to reduced trading activity driven by low trading volumes and market uncertainty. A prolonged period of reduced trading activity over the medium to longer term could significantly reduce the Enlarged Group's revenues and materially impact its profitability.***

Adverse market conditions, economic conditions and geopolitical uncertainties have in the past adversely affected the revenues of the TP ICAP Group and the Liquidnet Group and may in the future adversely affect the Enlarged Group's business and profitability. The TP ICAP Group's brokerage business, and the brokerage and financial services industry in general, are affected by national and international economic and political conditions and investor sentiment generally, among other factors. The TP ICAP Group generates revenue primarily from brokerage commissions it earns by facilitating and executing client orders, and its revenue is therefore substantially dependent on client trading volumes. For example, during the nine months ended 30 September 2020 and 2019, the TP ICAP Group generated 88.2 per cent. and 90.0 per cent. of its revenue, respectively, from its Global Broking and Energy & Commodities businesses by facilitating and executing client orders. In addition, 96.9 per cent. and 96.4 per cent. of Liquidnet Group revenues for the nine months ended 30 September 2020 and 2019, respectively, were generated from brokerage commissions, calculated on the basis of the quantity and the value of the securities being traded by clients.

Client trading volumes are determined by a number of factors, including the global level of issuance of financial instruments, price volatility of financial instruments, macroeconomic conditions, creation and adoption of new financial products, the regulatory environment, and the introduction and adoption of new trading technologies. Historically, increased price volatility has often increased trading activity and the demand for services provided by the TP ICAP Group. Conversely, the Enlarged Group's revenues and profitability are likely to decline significantly during periods of stagnant economic conditions or low trading volumes in the financial, energy and commodity markets, which can result from periods of very low market volatility (which tends to correlate to reduced trading opportunities) or extremely high market volatility which may generate structural uncertainty such that many clients have reduced risk appetite and are less willing to trade, (such as the period during the initial outbreak of COVID-19 in late March 2020), 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 TP ICAP Group's business on behalf of its clients tends to be lower, leading to lower revenues.

Market volatility is driven by a number of financial, economic and other factors which are, by their nature, directly affected by national and international economic and political conditions and investor sentiment that are beyond the Group's control.

In addition to the factors noted above, the following additional factors, among others, have had and may have a negative impact on the volume of transactions the Enlarged Group's clients conduct and, accordingly, on the Enlarged Group's revenue and profitability:

- economic, political and market developments, including tariffs, trade policies and decline in global trade;
- economic and operational challenges created by the ongoing COVID-19 (coronavirus) pandemic (**COVID-19**), including subsequent "waves" of infections;
- broad trends in the finance industry, including the volume of new issuances and fee levels;
- adverse market conditions, including unforeseen market closures or other disruptions in trading;
- changes in trading patterns in the relevant financial markets which depend on client 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, changes in yield curves (particularly when yield curves are flat, and short or long term market rates are low, which generally correlate with lower levels of market activity) and changes in market sentiment;
- legislative and regulatory changes, including changes to financial industry regulations and tax laws, that may generate significant uncertainty in the finance industry and therefore reduce activity by the Enlarged Group's clients;
- changes in market dynamics or structures as a result of new regulations or a rapid change in the method of broking in one or more products (see "*Financial services regulation and legislation has undergone and is anticipated to continue to undergo significant changes and developments. Changes in market dynamics or structure as a result of new or amended regulations directly or indirectly affecting the Enlarged Group's activities or its clients, or a rapid change in the method of broking in one or more products, are difficult to accurately predict. The timing, scope or form of future regulatory initiatives could significantly undermine the Enlarged Group's ability to serve its clients and maintain its profitability.*" below);
- actions of competitors (see "*The markets in which the TP ICAP Group and the Liquidnet Group operate, including the financial technology industry generally and the financial markets, in particular, are highly competitive and competition could intensify in the future. If the Enlarged Group is unable to continue to compete effectively for any reason, certain aspects of its business may be materially adversely affected which could result in lower revenue, increased costs, loss of opportunities or damage to the Enlarged Group's reputation.*" above);
- changes in government and central bank monetary policies, with financial stimulus measures or the easing of monetary policy in certain markets resulting in a flattening of yield curves and the dampening of activity in certain asset classes;
- changes in interest rates, foreign exchange rates and inflation;
- availability of cash for investment by mutual funds, exchange traded funds and other wholesale and retail investors;
- credit availability and other liquidity concerns;
- concerns over credit default or bankruptcy of one or more sovereign nations or corporate entities;
- disruption and potential loss of competitive advantage from the advent or application of novel technology;
- natural disasters; and
- concerns about terrorism, war or other armed hostilities.

Material decreases in trading volumes from period to period are likely to significantly reduce the Enlarged Group's revenue, which can significantly reduce the Enlarged Group's profit.

**1.3 *The Enlarged Group's business, including its financial performance, operations and strategy, may be impacted by the persistence of COVID-19.***

COVID-19 has had and continues to have a very significant impact on socio-economic conditions both regionally, and globally. Although the initial outbreak of COVID-19 in developed markets in late March 2020 resulted in a reduction in risk appetite and trading amongst clients, the overall impact of COVID-19 in the first half of 2020 was increased volatility and higher trading volumes, to the benefit of the TP ICAP Group's revenue. However, the persistence of COVID-19 and the economic impact of government responses to it, which continues to affect various countries, may yet result in lower trading activity from certain of the TP ICAP Group's clients and therefore may adversely impact the TP ICAP Group's business operations and revenue. It is currently unclear how long lower levels of market activity resulting from COVID-19, or from the macro-economic uncertainty resulting from government reactions to the pandemic, will persist and, accordingly, the impact on the TP ICAP Group's revenues and profitability remain uncertain. The impact of the COVID-19 pandemic on the TP ICAP Group may also vary materially by geographic location, in part as a result of the varying levels of success in containing the pandemic across different regions. Additionally, because certain commissions received by the Liquidnet Group are based on notional trade value (e.g. for equities in trades outside the U.S. and Canada), a decline in the value of equities as a result of COVID-19 could adversely impact the commission received by the Liquidnet Group in connection with such trades and, consequently, the Enlarged Group's business operations and revenue could be adversely affected.

The COVID-19 pandemic may negatively impact the credit ratings of certain of the TP ICAP Group's clients, leading to the imposition of limitations on the amount of business the TP ICAP Group can transact with a given client and negatively impacting the TP ICAP Group's revenues. The COVID-19 pandemic may also significantly impact client activity, which may result in operational issues arising from the clearing and settlement of client orders. In some cases, a potential side effect of clients failing to match trades could be the requirement from certain exchanges that the TP ICAP Group provides additional cash collateral or margin deposits for a period of time. The provision of such margin for an uncertain period and in uncertain amounts may negatively impact the TP ICAP Group's cash reserves. (See "*The TP ICAP Group's Matched Principal broking and Executing Broker activities and the resultant settlement processes create exposure to both market risk and liquidity risk that may reduce the Enlarged Group's liquidity and adversely affect its profitability.*")

Whilst the majority of both the TP ICAP Group's and the Liquidnet Group's employees who are client-facing (i.e. interdealer brokers) successfully transitioned to working from home during the COVID-19 pandemic, the Enlarged Group may face a situation whereby key client facing staff may become ill, and may be required to undergo long absences from certain of the Enlarged Group's operations due to COVID-19, resulting in gaps in client coverage and support, delaying effective responses for support or business management functions. A prolonged economic downturn from the negative effects of COVID-19 could result in the Enlarged Group reducing its workforce or incurring charges related to staff long-term sick pay if staff become impacted by the COVID-19 virus. Furthermore, with the majority of its employees working remotely, or by video and tele-conference, the Enlarged Group may determine that its business cannot be effectively operated or managed in the medium to long-term and any prolonged restrictions on movement or travel may therefore have a significant adverse impact on the Enlarged Group and its operations. Moreover, the TP ICAP Group and the Liquidnet Group face and the Enlarged Group will continue to face additional technological challenges due to the large number of employees working from home in response to the COVID-19 pandemic, which, if not supervised appropriately and supported with adequate IT infrastructure, could increase the Enlarged Group's operational risks, including those relating to trade execution, cybersecurity and regulatory compliance, any of which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations. See also "*The failure, loss or disruption of the Enlarged Group's key software, infrastructure or information systems could limit the Enlarged Group's ability to conduct its operations and materially adversely impact the Enlarged Group.*" below.

Disruptions resulting from the COVID-19 pandemic, whether as a result of the absence of key personnel due to illness or other COVID-19-related disruptions, may also result in a delay of the implementation of the Enlarged Group's strategy, including with respect to integration of the Liquidnet business or realising the anticipated benefits of the Acquisition, which could have an adverse impact on the Enlarged Group's business, financial condition and results of its operations.

A decline in revenues as a result of the pandemic may lead to a decline in the Enlarged Group's share price and, as a result of such decline, its market capitalisation. Although the TP ICAP Group has sought to take remedial measures to address a potential decline in profitability resulting from the COVID-19 pandemic (for example, a reduction in its cost base), such actions may not be sufficient to offset any potential decline in the

Enlarged Group's revenue as a result of the COVID-19 pandemic resulting in a material adverse impact on the Enlarged Group's business, financial condition and results of operations.

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

The Enlarged Group's future success depends upon the expertise and continued services of key personnel, including personnel involved in the management and development of its business, personnel directly generating revenue, and personnel involved in the management of control functions, and upon the continued ability of the Enlarged Group to recruit, train, retain and motivate qualified and highly skilled personnel in all areas of its business. Competition for senior executives and management personnel in the Enlarged Group's industry is intense, and the Enlarged Group may not be able to attract and retain qualified personnel or replace members of senior management team or other key personnel. Although the TP ICAP Group and the Liquidnet Group seek, and the Enlarged Group will seek, to ensure there are appropriate succession plans in place to lessen the impact of the departure of key personnel or a team of front office (i.e. revenue-generating) staff, the departure of one or more key personnel may nevertheless have a material adverse effect on the Enlarged Group's business, financial condition and results of its operations. Additionally, employment contracts with key personnel featuring minimum notice periods, non-compete provisions and fixed terms with staggered renewal dates may prove insufficient to protect against the loss of such key personnel. Moreover, in common with its competitors, certain of the TP ICAP Group's employment agreements contain terms under which it may be obliged to make payments to its employees in excess of the actual economic benefit accrued by the business from the employee's services during certain periods. In addition, the Liquidnet Group maintains a contractual severance policy applicable to certain of its employees that may require it to make payments in excess of what is statutorily required upon employee termination. Such agreements and policies may adversely affect the Enlarged Group's profitability.

The TP ICAP Group and the Liquidnet Group compete, and the Enlarged Group will compete, with other interdealer brokers and data providers for experienced client-facing personnel, and the level of such competition is intense. Such competition may significantly increase front office personnel costs or the Enlarged Group may lose such front office personnel to competitors, potentially resulting in the loss of capability, client relationships and expertise. In addition, the Enlarged Group's competitors may also seek to hire large teams of front office personnel from the Enlarged Group. If the Enlarged Group is unable to attract and retain highly skilled front office personnel, or if it incurs increased costs associated with attracting and retaining such personnel through higher compensation or additional benefits, it could have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Enlarged Group's continuing ability to recruit, train, retain and motivate personnel and to ensure that employment contract terms are appropriate and enforceable is essential to the Enlarged Group's performance and ability to effectively execute on its business model and growth strategy. Any factors that degrade the Enlarged Group's ability to recruit, train, retain and motivate its key personnel, including potentially the Acquisition or the management of the Enlarged Group, may adversely affect the Enlarged Group's operational and financial performance. In addition, if the Group fails to adequately assess the training needs of its employees and key personnel, including those relating to internal and regulatory compliance and technology, or fails to deliver appropriate training, the Enlarged Group's reputation and its ability to compete in its industry may be harmed, which could have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

**1.5 *To remain competitive, the Group must continue to invest in the development of its business and the failure to realise the benefits of such investments could adversely affect the Group's business, financial condition and results of operations. Changes in the risk profile of the Group as a result of developing its business could also result in new, or increased exposure to, risks that could negatively impact the Group.***

The markets in which the TP ICAP Group and the Liquidnet Group operate are dynamic and in order to remain competitive, the Enlarged Group will be required to invest in the development of its business to respond to changes in client demand. Such business development activity may include enhancing the Enlarged Group's technological capabilities to support the trend toward electrification as well as investing in other product innovations and new technologies, hiring brokers, opening offices in new countries, expanding existing offices, providing broking and other services in new product markets, serving different types of clients and undertaking activities through different business models. Such investments may result in changes in the risk profile of the

Enlarged Group, for example, by exposing the Enlarged Group to economic and political conditions in new markets as well as to new regulatory regimes. In addition, the Enlarged Group may fail in its attempts to successfully introduce or integrate enhanced versions of its electronic trading platforms, onboarding processes, new services and/or service enhancements in a timely or cost-effective manner, or may fail to gain client acceptance of such enhancements, which could both result in increased costs and harm its competitive position. Additionally, the Enlarged Group may be unable to successfully customise its approach to electronification in each of its product categories to reflect the relevant market structure characteristics, which could further harm its competitive position. Furthermore, investing within existing markets may similarly increase the Enlarged Group's exposure to particular risks within such markets or increase the applicable oversight of the Enlarged Group by its existing regulators. Any failure to manage changes in the Enlarged Group's risk profile or to realise the benefit of investments in its business, either due to management decision-making or as a direct result of regulatory action, may result in the failure to achieve any or all of the anticipated benefits of such investments or result in the costs of delivering such benefits exceeding the anticipated costs, all of which could adversely affect the Enlarged Group's business, financial condition and results of its operations.

***1.6 The TP ICAP Group has historically made and the Enlarged Group may continue to make acquisitions; the failure to successfully integrate such acquired businesses, including in particular the Liquidnet Group, could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations. Furthermore, the acquisition and disposal of businesses may give rise to unforeseen or unexpected liabilities or contingencies.***

The TP ICAP Group has historically made and the Enlarged Group may continue to make acquisitions and may encounter any number of challenges during the integration of the Liquidnet Group, or of any future acquisition. In particular, the Enlarged Group's management attention and resources may be diverted from its core business activities if personnel are required to spend more time than anticipated to assist in the integration process. See *"Management distraction as a result of the Acquisition or any challenges in integrating Liquidnet could have an adverse effect on the business of the Group."* below. The Enlarged Group may undertake cost improvement and restructuring programmes to integrate the Liquidnet Group, and may undertake further such programmes to integrate future acquisitions from time to time in the future. Any such future action might fail to achieve the desired improvement in profitability, could involve significant implementation costs, may have a disruptive effect on the Enlarged Group's business, and may harm the Enlarged Group's business through its impact on capability or employee morale, and the anticipated benefits of any actions might not be realised in full, or may be delayed materially, all of which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations. Moreover, any integration of an acquired business may lead to a temporary increase in the level of administrative errors or a decline in the service standards of the Enlarged Group, which may result in a decrease in client satisfaction, increases in client complaints and client and/or regulatory actions, which may, in turn, lead to reputational damage and the loss of key clients. Furthermore, during an integration period, the Enlarged Group may not be in a position to invest in developing its existing business or to acquire or invest in other 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 material revenue enhancing projects undertaken in furtherance of the Enlarged Group's strategy. Finally, the Enlarged Group may fail to realise the anticipated benefits of the Acquisition on its earnings profile and growth trajectory, and the Acquisition may fail to contribute to enhanced revenue growth and margin expansion for the Enlarged Group, as a result of which, it may fail to achieve its stated financial targets.

The acquisition and disposal of businesses may also give rise to unforeseen legal, regulatory, contractual, employment or other issues, or significant unexpected liabilities or contingencies. For example, as a result of non-disclosure by a vendor the Enlarged Group may fail to discover certain contingent or undisclosed liabilities in businesses that it acquires, or its due diligence processes to discover any such liabilities may be inadequate. The Group may also be subject to regulatory actions in respect of historical conduct by the acquired businesses for which its indemnities from a seller are not sufficient. In the case of disposals, the Enlarged Group may be exposed to claims of breach of representations and warranties under the sale agreements of disposed businesses. If any of the foregoing occur, the Enlarged Group could suffer reputational damage and may be liable for losses suffered by an affected party, which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

To the extent that the Enlarged Group incurs higher integration costs or achieves lower synergy benefits than expected, or is exposed to material historical liabilities, its business, financial condition and results of operations may be adversely affected.

**1.7 *The Enlarged Group may suffer reputational harm or financial losses arising from historical liabilities arising from acquired businesses, including those that have not been disclosed to the Enlarged Group prior to acquisition, or a vendor may be unable to fulfill its obligations under warranties provided in the terms of an acquisition.***

Under the terms of the acquisition agreement originally entered into between Tullett Prebon plc and ICAP plc (ICAP) on 11 November 2015 and amended, restated and novated on 16 August 2016 (the **IGBB Acquisition Agreement**), the TP ICAP Group's liability is limited in respect of certain liabilities that may arise in respect of the global broking business acquired from ICAP (**IGBB**), certain activities historically undertaken by IGBB prior to the completion of the acquisition of IGBB on 30 December 2016, and incidents that occurred prior to that date. Under the terms of the IGBB Acquisition Agreement, the TP ICAP Group is protected from these liabilities 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's successor firm, Nex Group Limited (**NEX**). Nevertheless, should such claims arise in respect of IGBB prior to completion of the acquisition, the Enlarged Group may suffer reputational or financial loss arising from any such claims due to the time required to enforce any such claims against NEX, the uncertain outcome of any court or arbitration process, or where a matter is not protected by a specific warranty or indemnity from NEX. IGBB may have historical liabilities of which the TP ICAP Group is currently unaware which, whether or not covered by the specific indemnities or general warranties given by NEX, may adversely affect the reputation of the Enlarged Group or its business, financial condition and results of operations.

In addition, although the Enlarged Group would have the benefit of the specific indemnities and the general warranties that NEX provided in the IGBB Acquisition Agreement against certain liabilities, including some that are the subject to ongoing disputes, NEX 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. In the event of a claim against the Enlarged Group for which such indemnification proves to be insufficient, the Enlarged Group's business, financial condition and results of operations could be materially adversely affected. See "*The Enlarged Group may face material liabilities as a result of ongoing or future legal and regulatory cases or may incur significant costs associated with legal action taken to defend its business, employees, rights and assets, including its intellectual property.*" for additional information on ongoing disputes relating to acquired businesses.

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

The Enlarged Group's ability to operate, to attract and retain clients and employees, or to obtain appropriate financing or capital may be adversely affected as a result of its reputation being harmed. As counterparties in wholesale financial markets and key providers of financial data, the TP ICAP Group's and the Liquidnet Group's clients rely on their integrity and probity. If the Group fails, or appears to fail to operate with integrity or to deal promptly and effectively with reputational issues, its reputation and in turn its business, financial condition and results of operations may be materially harmed. Such reputational issues include, but are not limited to:

- appropriately dealing with actual or potential conflicts of interest;
- complying with all applicable legal and regulatory requirements;
- effectively managing client relationships and ensuring appropriate communication with clients;
- 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;
- ensuring effective control and use of its proprietary data and intellectual property adequately;
- properly identifying and managing the legal, reputational, credit, liquidity and market risks inherent in its business; and
- ensuring full compliance with applicable corporate governance and reporting requirements.

Any failure by the Group to address these or any other issues could adversely affect its reputation, which could result in losses of front office personnel and clients, reduce its ability to compete effectively and result in

potential litigation and regulatory actions and penalties against the Group, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

**1.9 *The Enlarged Group's businesses may face concentration risk as a result of the fact that a small number of clients represent a disproportionate amount of revenue.***

Certain of the TP ICAP Group's and the Liquidnet Group's businesses derive a significant proportion of their revenues from a limited number of clients, particularly the trading desks of global investment banks for the TP ICAP Group and large institutional investors for the Liquidnet Group, and rely on these clients for a significant proportion of their respective trading volume. Loss of significant trading volumes from any of these key clients to competitors or otherwise may adversely impact the Group's financial performance.

In addition, consolidation or withdrawal from certain trading activities among the Enlarged Group's key clients may cause revenue to be dependent on an even smaller number of clients and may result in additional pricing pressure for the Enlarged Group's products and services. If certain of the Enlarged Group's clients were to consolidate, or significantly reduce their trading activities, and new clients did not generate offsetting additional volumes of transactions, the Enlarged Group's revenue would become concentrated in a smaller number of clients. If the Group is dependent on a smaller number of clients, the Enlarged Group's revenue may be even more dependent on continued good relationships with such clients and any adverse change in those relationships could materially adversely impact the Enlarged Group's revenue.

**1.10 *The relationship of the United Kingdom with the EU could impact the Group's ability to operate efficiently in certain jurisdictions or in certain markets and could affect the Group's profitability.***

Under the terms of the ratified EU-UK Article 50 withdrawal agreement, a transition period was agreed which ended on 31 December 2020. During that transition period, most EU rules and regulations continued to apply to the Enlarged Group in the UK. The transition period has now ended and the UK and the EU have agreed a new trade deal to govern their trading relationship. This trade deal does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK. It is still not possible to determine the impact that the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK and/or on the business of the Enlarged Group, including its ability to provide services across the EU. This uncertainty could impact the Enlarged Group's business by causing volatility in the market and impacting the Enlarged Group's liquidity.

The future terms of the UK's relationship with the EU could result in further changes to the movement of capital and the mobility of personnel. Regardless of the form of the current trading agreement between the UK and EU, there are likely to be changes in the legal rights and obligations of commercial parties across all industries going forward, and relevant UK regulatory requirements once outside the EU could be subject to significant change. These developments could have material adverse effects on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these risks could result in the Enlarged Group having to materially change its operating model in order to continue to serve its clients. This includes the transfer of staff from the UK into the EU, the hiring of additional new staff in the EU, the creation and capitalisation of legal entities and branches in the EU, the establishment of trading venues in the EU, and changes to how clients are covered and serviced. The TP ICAP Group and the Liquidnet Group have already made some of these changes and the Enlarged Group will continue to implement its Brexit readiness plan, and will adjust it as and when further detail on the nature of the arrangements that will exist between the EU and UK become clearer. However, there can be no assurance that such changes and plans will be effective and the Enlarged Group's business, financial condition and results of operations and prospects may be adversely impacted as a result of these developments.

This and any other future UK political developments, including, but not limited to, any changes in Government structure and policies, could affect the fiscal, monetary and regulatory landscape to which the Enlarged Group is subject. Consequently, no assurance can be given that the Enlarged Group's business, financial condition and results of operations and prospectus would not be adversely impacted as a result of these developments.

**1.11 *Financial markets are generally affected by seasonality, which could have a material adverse effect on the Enlarged Group's results of operations in a given period.***

Typically, global financial markets experience lower trading volumes during the summer and at the end of the calendar year due to a general slowdown in the business environment around holiday seasons, and, therefore, transaction volume levels may decrease during those periods. The timing of local holidays also affects

transaction volumes. These factors could have a material effect on the Enlarged Group's results of operations in any given period. The seasonality of the Enlarged Group's businesses makes it difficult to determine during the course of the year whether budgeted results will be achieved, and thus to adjust to changes in expectations. To the extent that the Enlarged Group is not able to identify and adjust for changes in expectations or is confronted with negative conditions that inordinately impact seasonal norms, the Enlarged Group's businesses, financial condition, results of operations and prospects could be materially adversely affected.

## **2. RISK FACTORS RELATED TO THE GROUP'S OPERATIONS**

### **2.1 *The failure, loss or disruption of the Enlarged Group's key software, infrastructure or information systems could limit the Enlarged Group's ability to conduct its operations and materially adversely impact the Enlarged Group.***

The TP ICAP Group and the Liquidnet Group are dependent on the capacity, reliability and performance of the computer and communications systems supporting their respective 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 as well as order book and order reconciliation tools. Many of these systems are concentrated at the TP ICAP Group's and the Liquidnet Group's data sites and, in the event of loss or failure, would be difficult to replicate. While these systems are mirrored by duplicated recovery systems that are regularly tested, these back-up systems and any switch to them may not be as resilient as expected or may not perform at the same capacity as the primary operating site. Any failures, glitches or outages could impact the Enlarged Group's ability to perform its core broking and related services.

Furthermore, the TP ICAP Group and the Liquidnet Group transitioned their workforces (including approximately 2,000 TP ICAP interdealer brokers) to working from home during the COVID-19 pandemic. See *"The markets in which the TP ICAP Group and the Liquidnet Group operate, including the financial technology industry generally and the financial markets, in particular, are highly competitive and competition could intensify in the future. If the Enlarged Group is unable to continue to compete effectively for any reason, certain aspects of its business may be materially adversely affected which could result in lower revenue, increased costs, loss of opportunities or damage to the Enlarged Group's reputation."* above. Even with the approval of the Enlarged Group's respective financial regulators, the large number of interdealer brokers working remotely increases the risks and challenges associated with the Enlarged Group's computer and communications systems, including those relating to network connectivity, cybersecurity and handling of confidential data, as they are reliant on the computer and communications infrastructure at the relevant employees' work locations and third party network providers.

The TP ICAP Group has in the past experienced, and may experience in the future, incidents with its information technology (IT) systems and infrastructure. Although none of these historical incidents have resulted in a material adverse impact on the TP ICAP Group's business or that of its clients, there can be no assurance that future IT incidents will not result in material disruptions to the Enlarged Group's systems, or that the Enlarged Group's remedial measures will be sufficient to prevent any further disruptions. If any of the Enlarged Group's critical processes or systems do not operate properly, are disabled or are subject to unauthorised access, misuse, hacking and release of confidential information or computer viruses, the Enlarged Group's ability to perform effective broking and related services could be materially impaired and the Enlarged Group may suffer reputational harm or be subject to litigation and regulatory inquiries, proceedings or penalties, which may be material. The performance of the Enlarged Group's IT and communications systems could deteriorate or fail for any number of reasons, including power disruptions, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism, client error or misuse, lack of proper maintenance or monitoring, loss of data, data disruption and similar events. Any such deterioration or failure could have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

A failure to maintain an adequate infrastructure commensurate with the size and scope of its business, or failure to maintain the Enlarged Group's IT systems and networks properly or to upgrade and expand such systems in response to technological change, or to accommodate the growth of its business, could limit the Enlarged Group's ability to conduct its operations, impede the ability of the Enlarged Group to implement its strategy and prevent the Enlarged Group from expanding its business operations. These systems are supported by in-house technical teams and third party service providers. Failure by these personnel or external third parties could contribute to the failure of these systems. If a system degradation or failure were to occur, it could cause, among other things: significant disruptions in service to the Enlarged Group's clients, 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 IT systems and facilities on which the Enlarged Group relies may lead to significant financial losses, reputational harm, litigation or arbitration claims filed by or on behalf of its clients and regulatory inquiries, proceedings, fines or sanctions. In addition, the business operations, IT systems and processes of the Enlarged Group, as well as the systems and processes of its third party providers, are vulnerable to damage or interruption from fires, floods, power loss, telecommunication failures, bomb threats, explosions or other forms of terrorist activity and other natural and man-made disasters. These operations and systems may also be subject to sabotage, vandalism, theft and similar misconduct, whether from employees or third parties. The TP ICAP Group and the Liquidnet Group operate, and the Enlarged Group will operate, in major centres around the world, and, despite any business continuity and disaster recovery arrangements that the Enlarged Group may have, any event causing significant disruption in any such centres or cities in the world (which may prevent the Group's employees from travelling to or occupying its offices, including the COVID-19 pandemic) or any major disruption to its communications, data transmission systems and data centres could have a material adverse effect on its ability to continue to operate significant parts of its business. The Enlarged Group's insurance policies may only partially reimburse the losses suffered or may not cover certain losses which are too remote or losses which are otherwise excluded from the policy. Any claims made under the Enlarged Group's insurance policies may also negatively impact future insurance policy premiums. Any such failure could also have a negative effect on the Enlarged Group's reputation and an adverse effect on the Enlarged Group's business, financial condition and results of operations.

The secure transmission of confidential client and market information over public and private networks is a critical element of the TP ICAP Group's and the Liquidnet Group's operations. These networks and those of the third party service providers and counterparties with whom the TP ICAP Group and the Liquidnet Group trade, and the networks of their respective clients may be vulnerable to unauthorised access, computer viruses and other security problems, including the inadvertent dissemination of non-public information by the TP ICAP Group or the Liquidnet Group. Since techniques used to obtain unauthorised access or to sabotage computer systems change frequently and generally are not recognised until used against a target, the Enlarged Group may be unable to successfully anticipate these techniques or to implement adequate preventative measures. The activities of the TP ICAP Group and the Liquidnet Group also require the recording, storing, manipulation and dissemination of significant amounts of data. While the TP ICAP Group and the Liquidnet Group maintain electronic and physical security measures, loss of data integrity could occur. In addition, the General Data Protection Regulation (Regulation 2016/679) (GDPR) imposes significant financial and other penalties on companies for misuse of client data; see "*The Group must comply with data protection regulations, including the GDPR.*" below.

Any failure by the Enlarged Group to maintain the confidentiality of information or other data security failures could impact the Enlarged Group's reputation, result in significant regulatory penalties or litigation and result in significant financial losses, which could have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

## ***2.2 The TP ICAP Group and the Liquidnet Group rely and the Enlarged Group will rely on third party providers for certain critical aspect of their operations.***

The TP ICAP Group and the Liquidnet Group require, and the Enlarged Group will require, continual access to exchanges and trading venues, settlement services, clearing organisations and other market infrastructure arrangements without which their ability to undertake some or all of their revenue-generating activities would be affected. For example, the TP ICAP Group relies upon market infrastructure arrangements, including settlement services, provided by Euroclear and Clearstream, Luxembourg, central clearing counterparties, such as the Depository Trust & Clearing Corporation (DTCC), certain vendor distribution partners in the Data & Analytics business, as well as other third party providers of similar services. In line with industry practice, the Liquidnet Group is also reliant on a limited number of providers for settlement and market data services. Loss of access to, or restrictions on the Enlarged Group's use of, these services, or other third party services, due to widespread disruptions or shutdowns of such services, the Enlarged Group's non-compliance with membership or participants' requirements, or credit rating or reputational issues, could materially impact the Enlarged Group's ability to carry out its activities, which could have an adverse effect on the Enlarged Group's business, financial condition and results of operations. In the event that the Enlarged Group is unable to access clearing and settlement services from Euroclear and Clearstream, Luxembourg or DTCC, there are limited sources of alternative clearing organisations and the Enlarged Group may not be able to access them.

The TP ICAP Group's operations team has implemented a methodology (including ongoing third party due diligence and key performance indicator monitoring) to ensure that any outsourced service providers meet specific delivery and performance criteria. If the Enlarged Group does not effectively develop and monitor such strategies, or if its third party providers do not perform as anticipated, or the Enlarged Group experiences technological or other problems with a transition between service providers, it may experience operational difficulties, increased costs and a loss of business. Moreover, if the contracts with any third party providers are terminated, the Enlarged Group may be unable to find alternative service providers on a timely basis or on comparable terms or may suffer disruption as a result of the transition of functions to a new service provider. Furthermore, errors by third party providers could result in reputational damage, a requirement to pay compensation to clients or regulatory action (including fines). The Enlarged Group may be unable to fully recover losses resulting from a third party provider, for example, in the event of a provider's financial distress or due to contractual limitations on the provider's liability. In addition, the Enlarged Group's ability to reliably receive services from third party providers outside the UK (or the jurisdictions in which subsidiaries operate) may be impacted by additional factors related to cultural differences, political instability in such jurisdictions, consequences of Brexit, and unanticipated regulatory requirements or policies inside or outside the UK, any of which could make it more difficult for the Group to receive required services in a timely manner, or at all, or to replace such services.

***2.3 The TP ICAP Group and the Liquidnet Group operate in a rapidly evolving business and technological environment. The Enlarged Group must continue to adapt its business and keep pace with technological innovation in order to compete effectively. If the Enlarged Group fails to replace, upgrade and expand its IT and communications systems in response to technological or market developments, its business may suffer and the Enlarged Group may be exposed to an increased risk of operational loss events.***

Both the TP ICAP Group and the Liquidnet Group rely on the constant availability of the IT and communications systems and networks that they currently operate. Any 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 have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

The markets in which the TP ICAP Group and the Liquidnet Group operate, and in which the Enlarged Group will operate, are characterised by rapidly changing technology, evolving client demands and uses of their services, frequent product and service introductions employing new technologies, and the emergence of new industry standards and practices that could render its existing technology and systems obsolete. The Enlarged Group's success will depend in part on its ability to anticipate and adapt to technological advances, evolving client demands and changing standards in a timely, cost-efficient and competitive manner and to upgrade and expand its systems accordingly. A particular risk faced by the Enlarged Group is the development by competitors of new and superior electronic trade execution or market information products that gain acceptance in the market. These products could give competitors a "first mover" advantage that may be difficult for the Enlarged Group to readily overcome with its own technology. Furthermore, changes in existing laws and regulations may require the Enlarged Group to develop and maintain new brokerage systems, services or functionalities in order to meet the standards set forth in such regulations or as may be required by regulators. There can be no assurance that the Enlarged Group will successfully implement new technologies or adapt its hybrid brokerage systems and transaction-processing systems to meet clients' requirements or emerging regulatory or industry standards.

Any upgrades or improvements in technology and the use of technology may require significant capital expenditure. In the longer term, the Enlarged Group may not have sufficient resources to update and expand its systems adequately, and any upgrade or expansion attempts may not be successful and accepted by the marketplace, its clients or its regulators. Any failure by the Enlarged Group to update and expand its systems and technology adequately or to adapt its systems and technology to evolving client demands or emerging industry standards would have a material effect on the Enlarged Group's ability to serve its clients or its compliance with applicable law and regulations, which could have an adverse effect on the Group's business, financial condition and results of operations.

**2.4 *The Enlarged Group may fail to detect, deter or prevent employee misconduct, employee errors or fraudulent activity, including security breaches and cyber-attacks, and may suffer financial loss either directly or as a consequence of damage to its reputation.***

The TP ICAP Group and the Liquidnet Group are increasingly exposed to the risk that third parties or malicious insiders may attempt to use cyber-crime techniques, including distributed denial of service attacks to disrupt the availability, confidentiality and integrity of their IT systems and demand payment to return stolen data or reverse lock machines, which could result in disruption to key operations, make it difficult to recover critical services and damage the Enlarged Group's assets. If the Enlarged Group is subject to a cyber-attack, its systems may be subject to down-time in an effort to prevent or mitigate a security breach. Such an outage may lead to loss of trading volumes, harm client relationships, or contribute to reputational damage, any of which could have an adverse effect on the Enlarged Group's business.

The TP ICAP Group and the Liquidnet Group maintain controls designed to mitigate a wide range of cyber-security risks. However, the Enlarged Group's infrastructure and controls may not prove effective in all circumstances and any failure of the controls could result in significant financial losses and could therefore have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The principal operational risks faced by the Enlarged Group in respect of security breaches and cyber-attacks include:

- **Systems**—Unauthorised use of systems or data by the Enlarged Group's employees or third parties leading to loss of data integrity, dissemination of confidential material, introduction of malicious software or the theft of intellectual property;
- **Employee error**—Failure by an employee, whether in the front office or in a control function, to properly execute a function, properly enter or manage data, or otherwise perform their assigned role, resulting in significant economic loss or damage to the Enlarged Group's reputation. Employee errors in the front office may also give rise to losses. This could be caused by residual balances, incorrect charging of broker commission on Name Passing trades or other broker errors;
- **Fraudulent transactions**—Unauthorised or fraudulent trading activity;
- **Employee misconduct**—Misconduct including clients or employees hiding unauthorised activities from the Enlarged Group, improper or unauthorised activities on behalf of clients, improper use of confidential information, the use of improper marketing materials, or the inappropriate use of authority or influence by current or former personnel; and
- **Settlements**—The unauthorised transfer of funds or the use of incorrect settlement instructions leading to loss.

If attempts by malicious third parties or insiders to compromise the Enlarged Group's sensitive data are successful, such a breach could result in loss of trust from the Enlarged Group's clients, causing reputational damage and financial loss. In addition, the GDPR imposes significant financial and other penalties for misuse of client data. Cyber-attacks can be technologically sophisticated and may be difficult or impossible to detect and defend against. If an actual, threatened or perceived breach of the Enlarged Group's security occurs, the market's perception of the effectiveness of its security aspects could be harmed, which could cause reputational damage and, have an adverse effect on the Enlarged Group's business. In addition, there can be no assurance that the Enlarged Group will successfully detect a cyber-attack if one occurs on a timely basis, or at all. Should the Enlarged Group's operational risk controls prove to be inadequate and an operational risk occurs, the Enlarged Group is likely to be adversely impacted and this could result in significant damage to the Enlarged Group's reputation, a material financial loss or potential litigation and regulatory sanctions, which could have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

**2.5 *The Enlarged Group may face material liabilities as a result of ongoing or future legal and regulatory cases or may incur significant costs associated with legal action taken to defend its business, employees, rights and assets, including its intellectual property.***

Many aspects of the TP ICAP Group's and the Liquidnet Group's businesses, and the businesses of their clients, involve substantial risks of liability. Dissatisfied clients may make claims regarding quality of trade execution, improperly settled trades or mismanagement against the Enlarged Group. The Enlarged Group may become subject to these claims as the result of failures or malfunctions of its IT systems, other brokerage services or of the data and analytics services provided by the Enlarged Group, and third parties may seek recourse for any losses. While the TP ICAP Group and the Liquidnet Group attempt to limit their liability to

clients through the use of written or “click-through” agreements, they do not have liability caps in place with all clients. Accordingly, the Enlarged Group could incur significant legal expenses defending claims, even those without merit. An adverse resolution of any lawsuit or claim against the Enlarged Group could result in an obligation to pay substantial damages.

The Enlarged Group may also be subject to other claims 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 (including infringements by entities acquired or to be acquired by the Enlarged Group), or from personal injury, diversity or discrimination claims. The Enlarged 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.

From time to time, the Enlarged Group may be engaged in litigation in relation to a variety of matters and the Enlarged Group may be required to provide information to regulators and other government agencies as part of informal and formal enquiries or market reviews. The Enlarged Group’s reputation may 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 adverse findings, even where the associated fine or penalty is not material. The Enlarged Group’s reputation may also be damaged by association in cases of regulatory investigations into or allegations or findings of fraud or other material misconduct relating to one of its competitors or clients or any of their employees. If the Enlarged Group or any of its employees were to be implicated in any misconduct uncovered by a regulatory investigation, the Enlarged Group may be subject to the imposition of substantial fines and penalties. Moreover, any involvement of the Enlarged 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. The TP ICAP Group is currently involved in a number of ongoing legal and regulatory cases where the outcome and any potential liability are subject to varying degrees of uncertainty. The eventual actual outcome and any potential liability of such matters may have a material impact on the Group’s profitability or performance. Adverse outcomes in the LIBOR class actions, which relate to allegations of LIBOR manipulation for various currencies, could have a material impact on the Group’s reputation and financial condition.

In the normal course of business, the Enlarged Group may enter into guarantees and indemnities from time to time in order to cover trading arrangements. To the extent the Enlarged Group is held financially responsible or faces any liability as a result of such guarantees and indemnities, the Enlarged Group’s business, results of operation, financial condition and/or prospects may be adversely impacted. In addition, as the TP ICAP Group and the Liquidnet Group have diverse workforces that include a large number of highly paid investment professionals, the Enlarged Group may face lawsuits relating to employment compensation claims, which may individually or in the aggregate be significant in amount. The TP ICAP Group and the Liquidnet Group consider that such claims are more likely to occur in the current environment and in situations where previously highly-compensated employees are terminated for performance or efficiency reasons. The cost of settling such claims should it be required could adversely affect the Enlarged Group’s business, financial condition and results of operations. Also, as a listed and regulated company, the Enlarged Group may be subject to the risk of investigation or litigation by certain parties including, without limitation, its regulators and public shareholders arising from an array of possible claims, including investor dissatisfaction with the performance of its businesses or its share price, allegations of misconduct by its officers and directors or claims that it has inappropriately dealt with conflicts of interest.

The Enlarged Group may take legal action against third parties 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. However, the steps the TP ICAP Group and the Liquidnet Group have taken, or the Enlarged Group may take, in order to protect contractual, intellectual property and other legal rights may prove to be inadequate and such actions may not be successful or may expose the Enlarged Group to significant reputational risk or liability arising from counter-claims. Action taken to exercise the Enlarged Group’s contractual, intellectual property and other legal rights may be expensive, protracted, and involve significant managerial resources, any of which may result in an adverse impact on the Enlarged Group’s financial position taken as a whole.

If the Enlarged Group is required to incur all or a portion of the costs arising out of litigation or investigations, it could have a material adverse effect on the Enlarged Group’s business, results of operations, financial condition and/or prospects. Furthermore, any such litigation or investigation could be protracted, expensive, consume significant management time and highly damaging to the Enlarged Group’s reputation, even if underlying claims are without merit. In addition, the Enlarged Group may participate in or initiate litigation proceedings (including the enforcement of contractual rights) from time to time, and participating in such

proceedings may expose the Enlarged Group to significant reputational risk and as well as a risk of liability arising from counterclaims against the Enlarged Group. Any of the foregoing factors could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

***2.6 The TP ICAP Group and the Liquidnet Group depend on the use of intellectual property and proprietary data, and loss of the exclusive use of such intellectual property could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.***

The TP ICAP Group and the Liquidnet Group depend on certain intellectual property, whether registered or not, and proprietary data generated by key investment professionals working within the TP ICAP Group and the Liquidnet Group, including certain proprietary market information. The Enlarged Group may be exposed to the potential risk of its intellectual property being subject to challenges based on third-party intellectual property rights claims, unlawful copying or other anti-competitive practices. Whilst the Enlarged Group intends to continue to protect its intellectual property in order to preserve its competitive position, there is a risk that its competitive position will be damaged by unlawful, illegal or unforeseen actions or practices taken by third parties. Accordingly, the loss of exclusive use of the Enlarged Group's intellectual property or claims by third parties that limit the Enlarged Group's use of its intellectual property, regardless of merit, could have a material adverse effect on the Enlarged Group's business, financial condition, and results of operations.

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

The TP ICAP Group's and the Liquidnet Group's employees operate from premises that provide the necessary facilities and systems to enable them to carry out their roles. Although the TP ICAP Group transitioned over 2,000 of its interdealer brokers to working from home during the COVID-19 pandemic, certain key employees maintained access to its offices throughout the pandemic. See "*The Enlarged Group's business, including its financial performance, operations and strategy, may be impacted by the persistence of COVID-19.*" above. The loss of access to these sites for all of its employees or an inability to operate from these sites, due to, for example, loss of power or internet connectivity, acts of war or terrorism, human error, natural disasters, fire or sabotage, could limit the Enlarged Group's ability to conduct its operations. Whilst the TP ICAP Group and the Liquidnet Group have disaster recovery sites, and business continuity plans are in place and are regularly tested, these may fail to cover all needed activities. Further, if the Enlarged 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 the Enlarged Group's third party service providers, including its network providers, may not be adequate to correct or mitigate any of the above eventualities or may not be implemented properly. Accordingly, loss of access to the Group's facilities or the failure of its continuity plans could have a material adverse effect on the Group's business, financial condition and results of operations.

***2.8 The Enlarged Group may have inadequate insurance to protect it against losses it may suffer.***

The TP ICAP Group maintains an insurance programme provided by a syndicate of third-party insurers in respect of potential third-party liabilities, loss of assets, business interruption and people-related exposures. There can be no assurance, however, that the Enlarged Group will be able to secure adequate insurance coverage for all risks on commercially reasonable terms, or at all, or that losses resulting from any of the risk factors outlined in this section would be covered by insurance policies or that insurers will not dispute the validity of an insurance claim or, if covered, that the claims will not exceed the limits of available insurance coverage. Moreover, there can be no assurance that any insurer will remain solvent and will meet its obligations to provide the Enlarged Group with coverage, or that insurance coverage will continue to be available with sufficient limits at a reasonable cost. Renewals of insurance policies may expose the Enlarged Group to additional costs through higher premiums or the assumption of higher deductibles or co-insurance liability. The future costs of maintaining insurance cover or meeting liabilities not covered by insurance could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

***2.9 Risk management policies, procedures and practices may not be fully effective in achieving their purposes or may be violated.***

The risk management frameworks implemented by the TP ICAP Group and the Liquidnet Group, as well as the framework to be relied on by the Enlarged Group, may not be fully effective in achieving their purposes and may leave exposure to identified or unidentified risks. Although the risk management frameworks of the TP ICAP and the Liquidnet Group are, and the framework to be relied on by the Enlarged Group will be, intended

to identify, monitor and manage material risks, such frameworks may be insufficient to effectively manage their respective risk profiles. Such risk management frameworks could fail to prevent misconduct by employees or vendors, resulting in violations of law by the TP ICAP Group, the Liquidnet Group or the Enlarged Group, and may potentially expose each such entity to regulatory sanctions and/or serious reputational or financial harm.

There may also be existing risks, or risks which develop in the future, that the Enlarged Group may not have appropriately anticipated, identified or mitigated. As regulations and markets in which the Enlarged Group will operate continue to evolve, its risk management framework may not always keep sufficient pace with those changes. If the Enlarged Group's risk management framework does not effectively identify or mitigate risks, its business, financial condition and results of operations may be materially adversely affected.

### **3. RISKS ASSOCIATED WITH THE ACQUISITION**

#### **3.1 *Completion of the Acquisition is conditional and the conditions may fail to be satisfied.***

Completion of the Acquisition is conditional, among other things, upon: (i) Shareholders passing the Resolution; (ii) Admission (of the nil paid rights) having occurred; (iii) the Scheme becoming effective and admission of TP ICAP Group plc, the new Jersey incorporated holding company of the Group (**New TP ICAP**) to the premium listing segment of the Official List and to trading on the main market of the London Stock Exchange (**New TP ICAP Admission**) having occurred; and (iv) certain regulatory approvals necessary under the laws of various jurisdictions to enable TP ICAP to own and operate Liquidnet's business, including in particular the approval of the Financial Industry Regulatory Authority (**FINRA**), the UK Financial Conduct Authority (**FCA**), the Central Bank of Ireland (**CBI**), the U.S. Federal Trade Commission, the Hong Kong Securities and Futures Commission (**SFC**), the Monetary Authority of Singapore (**MAS**), the Ontario Securities Commission (**OSC**), the Alberta Securities Commission (**ASC**) and the Investment Industry Regulatory Organisation of Canada (**IIROC**). See Part VIII: "*Summary of the Principal Terms of the Acquisition*" of this Prospectus for additional information on the Acquisition and the related closing conditions. There can be no assurance that these conditions will be satisfied or waived, if applicable, and that Completion of the Acquisition will be achieved.

Whilst the TP ICAP Group is confident that all conditions to the Acquisition can be satisfied or waived, as applicable, there can be no guarantee that this will occur in a timely manner and on terms acceptable to the TP ICAP Group or at all, or can be met without undue diversion of financial resources or management time and attention. As a result of any of the conditions to Completion of the Acquisition not being met, the Acquisition may be delayed (which would prolong the period of uncertainty for the TP ICAP Group and the Liquidnet Group and may result in additional costs to their businesses), or may not become effective. If Completion of the Acquisition does not occur, TP ICAP will not realise the planned for benefits of the Acquisition as summarised in Part VII: "*Information on the acquisition and the rights issue*" in a timely manner or at all and could incur liability and other significant costs. Under the terms of the agreement entered into between TP ICAP and Liquidnet on 9 October 2020 in connection with the Acquisition (the **Acquisition Agreement**), TP ICAP is required to take any and all steps required to avoid the entry of any permanent or temporary injunction or other order that would enjoin or prohibit Completion of the Acquisition, including agreeing to divest, dispose or hold separate assets or business of the TP ICAP Group or the Liquidnet Group.

If the Acquisition is not completed as a result of TP ICAP's failure to obtain the requisite regulatory approvals, including as a result of a potential violation of applicable antitrust laws or regulations, TP ICAP could incur liability to Liquidnet if it fails to comply with its obligations to obtain such approvals. In addition, TP ICAP would still be required to pay significant fees and other costs incurred in connection with the Acquisition (which include financing, financial advisory, legal and accounting fees and expenses) and, in certain circumstances, including if the Resolution fails to pass, may also be required to pay a termination fee of approximately \$17 million, being an amount equal to 1 per cent. of the market capitalisation of TP ICAP as calculated, in accordance with the Listing Rules, at 5.00 p.m. on 8 October 2020, the business day prior to the date of the Acquisition Agreement. Further, if the Acquisition does not become effective, the TP ICAP Group could incur additional costs and divert additional resources in seeking alternatives to the Acquisition and there can be no assurance that such alternatives will materialise on commercially acceptable terms, if at all.

#### **3.2 *The TP ICAP Group's and the Enlarged Group's actual financial position and results of operations may differ materially from the unaudited pro forma condensed combined financial information included in this Prospectus.***

The unaudited pro forma condensed combined financial information contained in this Prospectus is presented for illustrative purposes only and does not represent what the TP ICAP Group's or the Enlarged Group's

financial position or results of operations would have been had the Acquisition been completed on the date indicated. The unaudited pro forma condensed combined financial information has been derived from the audited and unaudited financial statements of the TP ICAP Group and the Liquidnet Group and certain adjustments and assumptions have been made in the preparation of such pro forma financial information. The application of purchase accounting for the Acquisition has also required the TP ICAP Group to make preliminary estimates with respect to the fair values of the net assets acquired, and applicable guidance allows certain adjustments until the TP ICAP Group receives the information about facts and circumstances that existed as of the acquisition date. However, this period cannot exceed one year from the Completion of the Acquisition. The finalised carrying values of the net assets acquired may differ materially from the TP ICAP Group's current estimates reflected in the unaudited pro forma condensed combined financial information in the Prospectus. The future reported results of operations and balance sheet data may therefore differ from those that might be expected based on the unaudited pro forma condensed combined financial information set forth in this Prospectus. In addition, the assumptions used in preparing the pro forma combined financial information may not prove to be accurate, and other factors may affect the Enlarged Group's financial condition or results of its operations.

### ***3.3 The Group may not be able to fully realise the benefits of the Acquisition.***

Through the Acquisition, the TP ICAP Group seeks to expand its buy-side connectivity via Liquidnet's global integrated buy-side network, achieve greater diversification of its asset class exposure through Liquidnet's platform in the equities segment, and take advantage of new opportunities, particularly in the dealer-to-client (D2C) credit and rates markets. However, there can be no assurance that the Acquisition will deliver the planned for benefits or that the Enlarged Group will realise the anticipated return on investment within the expected timeframe. Achieving the advantages of the Acquisition will depend partly on the efficient management and integration of the activities of TP ICAP and Liquidnet, two businesses that currently function independently with geographically dispersed operations, and with different clients, business cultures and compensation structures. The planned for benefits of the Acquisition, including the targeted medium-term improvements to revenue and underlying operating profit margins, may fail to be achieved within the stated time period, or at all, because of a number of factors, including failure by the Enlarged Group to effectively sell or cross-sell products and services to Liquidnet customers, failure to gain a meaningful share of new market segments, failure to leverage Liquidnet's existing capabilities in line with the expectations of the TP ICAP Group, adverse conditions in the markets in which TP ICAP and Liquidnet operate and failures relating to integration of business operations or support functions, any of which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations. For more information relating to integration, see also "*Management distraction as a result of the Acquisition or any challenges in integrating Liquidnet could have an adverse effect on the business of the Group.*" In addition, the costs associated with successfully completing the integration process necessary to achieve these benefits may exceed expectations.

The Enlarged Group will also face risks associated with retaining existing client relationships or establishing new client relationships. For example, the Enlarged Group will face the risk of being unable to retain the TP ICAP Group's or the Liquidnet Group's existing clients following the Acquisition. Further, there can be no assurance that the Enlarged Group will be successful in establishing relationships with new clients. Additionally, even if the Enlarged Group is able to reach new clients, the number of such clients may be lower than expectations for the Enlarged Group to realise its anticipated benefits from the Acquisition.

Any of the foregoing may have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

### ***3.4 As a result of the Acquisition, the Enlarged Group may fail to retain key management or other personnel.***

The calibre and performance of the Liquidnet Group's and the TP ICAP Group's senior management and other key employees once a part of the Enlarged Group will be critical to the success of the Enlarged Group. Such employees have key relationships with clients, knowledge of key IT systems and processes, among other skills, and are key to the successful operations and prospects of the Enlarged Group. Although the Enlarged Group intends to implement incentive plans for key personnel with a view to retaining them after the Acquisition, there can be no assurance that key personnel will not leave the TP ICAP Group, the Liquidnet Group or the Enlarged Group following the Acquisition, either as a result of the Acquisition or for other reasons. Such attrition may take place either before the Acquisition is completed or during the Enlarged Group's integration process following the Acquisition, or thereafter. Failure of the Enlarged Group to put in place new long-term incentive plans/arrangements and otherwise remunerate employees appropriately could result in loss of key

personnel. The loss of a significant number of management or key employees could adversely affect the Enlarged Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively) and could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

**3.5 *Management distraction as a result of the Acquisition or any challenges in integrating Liquidnet could have an adverse effect on the business of the Group.***

The Enlarged Group will be required to devote significant management attention and resources to integrating the Liquidnet Group's business practices and operations. Furthermore, the Enlarged Group will continue to operate businesses across multiple time zones and, although regulatory and operational decision-making will often be undertaken by each of the businesses locally, coordinating its decision-making across all the businesses in the Enlarged Group will present challenges to the Enlarged Group's management team.

Integrating the Liquidnet Group's business with the rest of the TP ICAP Group presents a number of challenges, including with respect to the integration of certain back office capacity covering areas such as finance, compliance, risk and legal support. There is a risk that the challenges associated with integrating the Liquidnet Group's business will distract management's attention from managing other parts of the Enlarged Group or that management will have insufficient capacity to meet the demands of integration or to manage the Enlarged Group. As a result, the underlying business may not perform in line with management or shareholder expectations.

**3.6 *TP ICAP has limited rights to terminate the Acquisition if an adverse event affects Liquidnet before Completion of the Acquisition.***

Prior to Completion of the Acquisition, as is typical for this type of Acquisition, TP ICAP has limited rights to terminate the Acquisition Agreement. Accordingly, if an adverse event occurs that negatively affects Liquidnet's business or if Liquidnet's business performance or prospects were to decline prior to Completion of the Acquisition, the value of the Liquidnet business purchased by TP ICAP may be less than the consideration agreed to be paid by TP ICAP and, accordingly, the net assets of the Enlarged Group could be reduced. There can be no assurance that TP ICAP would be able to renegotiate the consideration paid for TP ICAP in such circumstances and TP ICAP may therefore pay an amount in excess of market value for Liquidnet, which could have an adverse effect on the Group's business, financial condition and results of operations.

**3.7 *The Group may suffer reputational or financial losses arising from historical issues arising in Liquidnet, including those that have not been disclosed to the Company.***

Liquidnet has provided certain customary representations and warranties under the Acquisition Agreement and TP ICAP has obtained a representation and warranty liability insurance policy insuring against the breach by Liquidnet of such representations and warranties.

The TP ICAP Group has relied on these representations and warranties about the Liquidnet Group's business in connection with the Acquisition. If these representations and warranties are not true and correct in all material respects, the Enlarged Group may suffer losses or be unable to perform to expectations. If this were to occur, there can be no assurance that the TP ICAP Group would be able to recover damages under the representations and warranties liability insurance policy in relation to such breaches or losses in an amount sufficient to fully compensate the TP ICAP Group for its losses or underperformance.

In addition, Liquidnet may have historical issues of which the Company is currently unaware which, whether or not covered by the specific representations and warranties given by Liquidnet pursuant to the terms of the Acquisition Agreement, may adversely affect the reputation of the Enlarged Group.

**3.8 *TP ICAP will have foreign exchange risk related to the purchase price for the Acquisition.***

TP ICAP is obligated to pay the purchase price for the Acquisition in U.S. dollars. It will finance part of the consideration payable on Completion of the Acquisition through the Rights Issue, with additional non-contingent deferred consideration of \$50 million in the form of 3.20 per cent. unsecured loan notes issued by TP ICAP to certain stockholders in Liquidnet (the **Loan Notes**), the principal amount of which will be paid three years following closing of the Acquisition. In relation to the portion of the purchase price that will be financed through the Rights Issue, there could be a period of a number of months between the publication of this Prospectus, the receipt of the proceeds of the Rights Issue, which will be received in pounds sterling, and TP ICAP's obligation to acquire Liquidnet for payment in U.S. dollars becoming unconditional. During this time, the TP ICAP Group will be exposed to the risk of a significant appreciation in the U.S. dollar against the



pound sterling. The TP ICAP Group has entered into a currency hedging arrangement in order to limit its total exposure in respect of the Acquisition to adverse currency movements, although there can be no guarantee that such arrangement will be effective.

**3.9 *Following the Acquisition, a greater portion of the revenues and costs of the Enlarged Group will be denominated in U.S. dollars and euros, and the Enlarged Group will therefore be subject to additional foreign exchange risk on its revenues.***

Before the Acquisition, a significant portion of the revenues and a significant portion of the costs of the TP ICAP Group have been denominated in foreign currencies, particularly U.S. dollars and euros. Moreover, because of the nature of the Liquidnet business, following the Acquisition, an even greater portion of the revenues and costs of the Enlarged Group will be denominated in foreign currencies. Fluctuations in the exchange rate, particularly between the pound sterling and the U.S. dollar and the euro, respectively, may lead to fluctuations in the revenues and costs of the Enlarged Group as reported in pounds sterling, which would affect its reported profits. Given the significant portion of the Enlarged Group's revenues generated in U.S. dollars and euros, a weakening of the U.S. dollar or the euro against the pound sterling may have a negative impact on the Enlarged Group's reported results of operations, which may be only partly offset by a decrease in costs denominated in U.S. dollars or euros, as applicable, as a result of such exchange rate fluctuations. The Enlarged Group may enter into hedging arrangements to mitigate some of this exposure, but there can be no assurance that the Enlarged Group will do so, that such arrangements will be available on acceptable terms, or that such hedging arrangements will be effective if entered into.

**3.10 *If Completion of the Acquisition does not occur but the Rights Issue does, the TP ICAP Group may not be able to return the proceeds of the Rights Issue to Shareholders efficiently.***

Although the Rights Issue will not proceed if the Resolution is not passed, the Rights Issue is otherwise not conditional upon Completion of the Acquisition. It is therefore possible that the proceeds of the Rights Issue will be received by TP ICAP but will not be used for the purpose of the Acquisition, if the Acquisition does not complete. In such circumstances, the TP ICAP Group may determine that it is in the best interest of Shareholders to return the proceeds of the Rights Issue to Shareholders in a timely and efficient manner or to retain some or all of the proceeds for general corporate purposes. There can be no assurance that the TP ICAP Group will be able to effect such a return of capital without additional tax or other costs falling on the TP ICAP Group or the Shareholders receiving such a return of capital.

**3.11 *The TP ICAP Group has incurred and will incur substantial costs in connection with the Acquisition.***

The TP ICAP Group has incurred and will incur significant transaction fees and other costs associated with completing the Acquisition. These fees and costs are substantial and include financing, financial advisory, legal and accounting fees and expenses. Although the TP ICAP Group believes that the benefits of the Acquisition will offset the transaction costs over time, this net benefit may not be achieved in the near term, or at all. See also *"The TP ICAP Group has historically made and the Enlarged Group may continue to make acquisitions; the failure to successfully integrate such acquired businesses, including in particular the Liquidnet Group, could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations. Furthermore, the acquisition and disposal of businesses may give rise to unforeseen or unexpected liabilities or contingencies."* above.

## **4. RISK FACTORS RELATED TO REGULATION**

**4.1 *Financial services regulation and legislation has undergone and is anticipated to continue to undergo significant changes and developments. Changes in market dynamics or structure as a result of new or amended regulations directly or indirectly affecting the Enlarged Group's activities or its clients, or a rapid change in the method of broking in one or more products, are difficult to accurately predict. The timing, scope or form of future regulatory initiatives could significantly undermine the Enlarged Group's ability to serve its clients and maintain its profitability.***

In response to geopolitical factors, regulators worldwide continue to adopt 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 integrity and stability of the financial system and to improve the operation of the world's wholesale financial markets. It is difficult to accurately predict the timing, scope or form of future regulatory initiatives or reforms, although it is widely expected that there will continue to be a substantial amount of regulatory change and a high degree of supervisory oversight of regulated financial services firms.

Certain 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. In addition, under certain principles-based rules and regulations, there may be different views within the industry about how to achieve particular outcomes. Regulators may from time to time have varying approaches to ensuring market participants meet regulatory outcomes, and the interpretations of regulators may therefore differ from generally accepted market practice. These and future changes in regulations and other reforms may affect the Enlarged 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 by the introduction of rules and requirements that the Enlarged Group operate as an intermediary which the Enlarged Group is unable to respond to satisfactorily. Such regulatory changes may also have an indirect effect through their impact on the Enlarged Group's clients and their willingness and ability to trade.

In particular, recent regulations, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (**Dodd-Frank Act**) and its implementing regulations in the United States and the European Markets Infrastructure Regulation (Regulation 648/2012) (**EMIR**), the Regulation amending EMIR (Regulation 2019/834) (**EMIR Refit**), the Markets in Financial Instruments Directive II (Directive 2014/65/EU) and the Markets in Financial Instruments Regulation (Regulation 600/2014), as amended, and any implementing legislation (**MiFID II**), regulations governing NMS Stock Alternative Trading Systems in the United States and the GDPR in Europe, any proposed amendments to such regulations and future regulations, may result in changes in the method of broking in certain product markets, may create new types of competition between interdealer brokers or alternative trading systems and other market intermediaries for execution business, and may create additional compliance burdens.

As a result, the TP ICAP Group and the Liquidnet Group face, and the Enlarged Group will face, significant compliance challenges in light of an operating environment with continually evolving rules and regulations. Supervisory authorities around the world are assuming an increasingly active and assertive role in introducing, interpreting and enforcing regulations in the jurisdictions in which the TP ICAP Group and the Liquidnet Group operate. Any inability of the Enlarged Group to adapt or deliver services that are compliant with new regulations could materially adversely affect its competitive position and therefore reduce its business prospects, financial condition and results of operations. To date, the TP ICAP Group and the Liquidnet Group have been required to incur certain additional 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 such regulations have in the past and may, in the future, significantly increase the cost base of the Enlarged Group, thereby reducing profitability. There is also a possibility that further regulations and reforms affecting the OTC markets, including in respect of the production or sale of market data and reference rates, may be introduced that may adversely affect the role of interdealer brokers or may introduce requirements or rules that the Enlarged Group is unable to meet.

Any significant changes in regulation, including in particular the changes in regulation in the United Kingdom, the European Union and the United States discussed above, may result in rules that are more onerous than the existing rules to which the TP ICAP Group and the Liquidnet Group are currently subject, and the Enlarged Group may incur significant costs in establishing the necessary systems and procedures and compliance infrastructure, and in training its front office personnel, to enable it to comply with any new regulations to which it may become subject. Changing regulation may also impact the activities of the Enlarged Group's clients, 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 Enlarged Group's revenue. As the Enlarged Group develops and implements new technologies, it may become subject to additional laws or regulations that develop alongside new technology. Additionally, as the Enlarged Group expands its business into new geographic markets and/or expand its product and service offerings, it becomes subject to additional laws, rules and regulations. In addition, changes in the Enlarged Group's regulatory environment may disadvantage the Enlarged Group relative to its competitors operating under different regulatory environments which may reduce the Enlarged Group's relative competitiveness.

Any of the above factors could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

**4.2 *The TP ICAP Group and the Liquidnet Group operate 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 Enlarged Group relative to its competitors. The failure to comply with regulations could subject the Enlarged Group to sanctions, force it to cease providing certain services, or oblige it to change the scope or nature of its operations.***

The TP ICAP Group and the Liquidnet Group and each of their subsidiaries and affiliates are, and the Enlarged Group and its subsidiaries and affiliates will be, subject to extensive regulation and legislation. Changing regulations, policies, standards or interpretations in a number of jurisdictions (including in respect of the conduct of periodic examinations, inquiries and both announced and unannounced investigations by governmental and self-regulatory organisations) may adversely affect the Enlarged Group. The Enlarged Group's ability to comply with applicable laws, rules and regulations will be largely dependent on its ability to establish and maintain effective 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 Enlarged Group to make changes to its management and support structure that could significantly increase its cost of doing business. Failure to maintain effective compliance and reporting systems or failure to attract and retain qualified personnel who are capable of designing and operating such systems may increase the risk that the Enlarged 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 Enlarged Group, both in terms of its reputation, and financially to the extent that fines and penalties are imposed. Likewise, any failure of commercial management to understand and act upon applicable laws and regulations would present a similar risk.

In the UK, the TP ICAP Group's business is subject to regulation by the FCA, and the TP ICAP Group is currently 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, as implemented in UK law (known as **CRD IV**). 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 TP ICAP Group's UK operations and engagement with senior management. In addition, the FCA's Senior Managers & Certification Regime (the **SMCR**) was extended to all UK authorised firms in December 2019. Under the SMCR, the FCA could take enforcement or other action against key individuals at the Enlarged Group, including senior management. Any enforcement or other actions may last a number of years and could divert management attention from day-to-day running of the Enlarged Group's business, result in increased turnover if senior staff elect to leave the Enlarged Group due to exposure, and involve considerable cost and expense. The extension of the SMCR to the Enlarged Group may also make it more challenging for the Enlarged Group to attract and retain key senior individuals. Other jurisdictions (including Singapore and Hong Kong) have been developing their own individual accountability regimes. As these regimes develop there is a risk that they may have similar impacts to the SMCR on the Enlarged Group in their respective jurisdictions.

In the United States, entities within the TP ICAP Group that are registered with the SEC as a broker-dealer are regulated by the Securities and Exchange Commission (**SEC**), FINRA, the exchanges and other self-regulatory organisations (**SROs**) of which they are members, and the securities regulators of the individual states in which they operate. Entities within the TP ICAP Group that are registered with the Commodity Futures Trading Commission (the **CFTC**) as swap execution facilities (**SEFs**), introducing brokers (**IBs**) or swap dealers (**SDs**) are regulated by the CFTC and, with respect to IBs and SDs, by the National Futures Association (**NFA**). Under Title VII of the Dodd-Frank Act, certain activities of the TP ICAP Group relating to OTC derivatives are also now regulated by the CFTC. In addition, recently finalised regulations, such as the CFTC's rules establishing new position limits, on certain swaps, rules establishing capital requirements for certain categories of SDs, and rules prohibiting SEFs from disclosing the identity of a counterparty to a swap executed anonymously and intended to be cleared, could impose new regulatory burdens and compliance costs on regulated entities of the Enlarged Group.

The SEC, FINRA, the CFTC, the NFA and other SROs have the power to take a range of investigative, disciplinary or enforcement actions, including suspension or revocation of regulatory authorisations, permissions or approvals, public censure, client restitution, fines or other sanctions. Such regulatory action against a member of the Enlarged Group could also result in adverse publicity for, or negative perceptions regarding, the Enlarged Group by its clients. Each of the SEC, FINRA, the CFTC, the NFA, and other SROs may make enquiries of the Enlarged Group companies that it regulates regarding compliance matters and, like

all UK- and U.S.-regulated financial services firms, the Enlarged Group faces the risk that such regulatory bodies could find that the Enlarged Group entity has failed to comply with applicable regulations or has not undertaken corrective action as required.

Any of the foregoing may damage the Enlarged Group's relationships with existing clients, impair its ability to operate its business or undertake its strategy, or contravene provisions concerning compliance with law in agreements to which any subsidiary of the Enlarged Group is a party. This may result in regulators subjecting the regulated Enlarged Group entity to closer scrutiny than would otherwise be the case, which in turn may result in higher compliance costs, fines or other sanctions for the Enlarged Group. In addition, the Enlarged Group's operations in other countries are subject to relevant local regulatory requirements which may change from time to time.

The TP ICAP Group has invested significantly in its risk management and operational processes, often reflecting regulatory feedback, with the objective of ensuring that there is clear accountability for the management of all risks, that risk management is an integral part of day-to-day activity across all areas of the Enlarged Group and that risk management behaviours are appropriately reflected in employee performance management, which is linked to remuneration. The Enlarged Group may face significant additional costs as a result of improving its risk and compliance management to reflect developing best practice within the markets in which it operates and within the financial markets generally. The increased burden of responding to regulatory enquiry and supervision may require investment in management and support resources that could also increase costs further. The nature of the client base or the geographic markets in which the TP ICAP Group and the Liquidnet Group operate may change as a result of the development of the Enlarged Group's activities and strategy. This may increase the Enlarged Group's regulatory burden and the risk of infringement of rules and regulations.

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

The imposition of regulatory sanctions or penalties, or a significant increase in compliance costs, could have a material effect on the Group's business, financial condition and results of operations.

**4.3 *The TP ICAP Group is required to maintain capital in its regulated entities above a minimum level set by the relevant regulators. The amount of capital resources required may increase in the future, which could limit the Enlarged Group's flexibility regarding its capital structure and its ability to pay dividends. Failure to maintain capital resources to the required level could subject the Enlarged Group to sanctions, or force it to change the scope of its operations.***

The TP ICAP Group is currently subject to regulation under Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (**CRR**) and CRD IV, requiring various entities within the TP ICAP Group to hold sufficient capital resources to meet their local regulatory capital requirements. The CRR and CRD IV, which represented the implementation by the European Union (the **EU**) of the Basel III Accord, is the prudential framework governing the type and amount of capital to be held by regulated credit institutions and investment firms. The prudential framework consists of three 'pillars': (i) Pillar 1 sets out the minimum capital required to meet credit, market and operational risk exposures; (ii) Pillar 2 requires firms to undertake an Internal Capital Adequacy Assessment Process (**ICAAP**) to assess whether their Pillar 1 capital is adequate to cover all of the risks to which they are exposed (and if not, to calculate the additional capital required); the ICAAP is then subject to review by the FCA through the Supervisory Review and Evaluation Process; and (iii) Pillar 3 requires firms to disclose specific information concerning their risk management policies and procedures, and to provide a summary of their regulatory capital position.

The TP ICAP Group holds a waiver from consolidated supervision requirements under the CRR (the **Consolidation Waiver**). Under the terms of the Consolidation Waiver, the TP ICAP Group is obliged to undertake the 'Financial Holding Company' test for the purposes of calculating the TP ICAP Group's regulatory capital position, which compares the capital resources of TP ICAP plc with the capital resources requirement of all its subsidiaries. The application of the Consolidation Waiver permits the TP ICAP Group to hold lower levels of capital in each of its regulated entities than would otherwise be the case.

In addition, each of the TP ICAP Group's regulated entities must hold sufficient capital resources to meet their local regulatory capital requirements. 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. Any changes in the Enlarged Group's regulatory environment, or the imposition of new or increased regulatory capital requirements on any of the Enlarged Group's businesses in the future, could require an increase in the capital held in a regulated subsidiary.

Pillar 2 requires financial institutions to conduct an ICAAP assessment to demonstrate that they have implemented methods and procedures to ensure adequate capital resources, with due attention to all material risk. Regulators then must conduct a "Supervisory Review and Evaluation Process" to assess the soundness of the financial institution's ICAAP and take any appropriate actions that may be required. In addition, the FCA may impose a capital add-on or multiplier, which would require the Enlarged Group's ICAAP companies to increase capital if the FCA believes the internal assessment does not adequately reflect the risks within the firm. The FCA is expected to also implement measures on an on-going basis to monitor the risks of the Enlarged Group.

Proposals for a revised legislative framework for prudential requirements for investment firms, set out in the Investment Firms Regulation (the **IFR**) and the Investment Firms Directive (the **IFD** and together with the IFR, the **IFR/IFD**), have received political agreement and were published in the Official Journal on 6 December 2019. The IFR will apply from 26 June 2021 and Member States are expected to apply legislation and regulation implementing the IFD from that date. In the UK, the FCA is targeting 1 January 2022 as the date for UK implementation of reforms to achieve the same outcomes as IFR/IFD. It is expected that TP ICAP's UK and EU investment firms will be subject to the new prudential framework under the IFR/IFD. Further detail of the IFR/IFD reforms will be provided for in regulatory technical standards, which have not yet been published. Accordingly, the precise impact of the IFR/IFD reforms on the Enlarged Group is not yet known. Additionally, in light of Brexit, the UK is at liberty to determine when and to what extent it wishes to implement the IFR/IFD. As such, the UK government, the FCA and the Prudential Regulation Authority announced on 16 November 2020 that the implementation of the prudential rules in the UK will be delayed to 1 January 2022. As a consequence, the exact nature of implementation of the IFR/IFD in the UK and its application to the Enlarged Group is unknown. There is a risk that the implementation of IFR/IFD reforms in the EU and/or the UK may increase the capital required to be held across the Enlarged Group, or may otherwise change the way in which European and/or UK supervisory authorities calibrate and manage capital requirements for in-scope EU investment firms.

Although there remains uncertainty as to the final calibration and implementation of the IFR/IFD proposals and the manner in which any of these proposals may ultimately impact the Enlarged Group and/or regulated entities within the Enlarged Group, any changes which impose additional capital requirements on the Enlarged Group or its regulated entities generally, or require the Enlarged Group or those regulated entities to hold increased capital against certain exposures, may have an impact on the growth and operations of the Enlarged Group's businesses. Further, any increase in any individual entity's capital requirements may restrict the ability of an entity to distribute its earnings within the Enlarged Group or may require the Enlarged Group to inject additional capital into an entity, which may restrict the Enlarged Group's ability to pay interest and principal. A perceived or actual shortage of capital in relation to any of the Enlarged Group's regulated entities or sub-groups could result in actions or sanctions, which may have a material adverse effect on the Enlarged Group's business, financial condition and results of operations. Based on the TP ICAP Group's current understanding of the IFR/IFD and their proposed implementation in the UK and the EU, the TP ICAP Group does not expect there to be a material impact on the overall regulatory capital requirements imposed on the Enlarged Group, however, there can be no assurance that such a material impact will not arise.

Through the Redomiciliation, the TP ICAP Group intends to introduce a Jersey-based holding company as the new ultimate holding company for the Enlarged Group, which has the potential to impact the Enlarged Group's capital requirements. As a result of the Redomiciliation, the Enlarged Group will no longer benefit from the Consolidation Waiver. The Group will be required to comply with the relevant requirements of CRD IV and CRR (and post-Brexit, onshored CRR) on a sub-consolidated basis, meaning on the basis of the consolidated position of the relevant entity comprising a parent institution in a member state as opposed to the Enlarged Group's ultimate parent institution domiciled in Jersey. If the Redomiciliation fails to occur, or if any change to the Redomiciliation is effected, this may result in increased capital requirements for the Enlarged Group or its regulated entities.

If the Enlarged Group is required to hold higher levels of capital for any of the above or other reasons, it could be required to decrease its leverage, refrain from paying dividends to shareholders, issue additional shares or hold additional cash or cash equivalents on its balance sheet, thereby reducing the Enlarged Group's flexibility and reducing the economic returns earned on its assets.

The Enlarged Group's assessment of its regulatory prudential positions including through the ICAAP process and other various regulatory regimes applicable to it require management to make judgements, estimates and assumptions. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, there can be no assurance that one or more of these judgements, estimates and assumptions will not be subsequently revised as a result of new factors or circumstances emerging, which could result in an actual or perceived shortage of capital and could, in turn, have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

#### **4.4 *The Group must comply with data protection regulations, including the GDPR.***

The TP ICAP Group and Liquidnet Group are subject to regulations in the jurisdictions in which they operate regarding the use of personal data. The TP ICAP Group and Liquidnet Group collect and processes personal data from clients, business contacts and employees as part of their operation, and therefore must comply with data protection and privacy laws. Those laws generally impose certain requirements in respect of the collection, retention, use and processing of such personal information. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs, as well as result in potentially inaccurate rating of policies or overpayment of claims. The TP ICAP Group and Liquidnet Group seek, and the Enlarged Group will seek, to ensure that procedures are in place to comply with the relevant data protection regulations by employees and third party service providers, and also implement security measures to help prevent cyber theft. Notwithstanding such efforts, the Enlarged Group will be exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. In addition, the Enlarged Group may not have the appropriate controls in place and may be unable to invest on an ongoing basis to ensure such controls are current and keep pace with the growing threat.

The GDPR has increased the regulatory burden with respect to the processing of personal client, employee and other data and has also increased the potential sanctions for breaches. New data protection regulations with potentially similar impacts are also being developed and implemented in a number of other jurisdictions, including in jurisdictions where the TP ICAP Group and Liquidnet Group operate. If the Enlarged Group or any third party service providers fail to comply with data protection laws, including the GDPR, or fail to adapt to new or amended data protection laws, due to any failure to store or transmit client information in a secure manner or any loss or wrongful processing of personal client data, the Enlarged Group could be subject to investigative and enforcement action by relevant regulatory authorities, claims or complaints from the individuals to whom the data relates or could face liability under data protection laws. Although the TP ICAP Group and Liquidnet Group carry out due diligence checks on third party service providers, and the Enlarged Group will continue to do so, the Enlarged Group may be held accountable under GDPR for any data breach or other failure to comply with data protection laws by any of its third party service providers. Any of these events could also result in the Enlarged Group suffering reputational damage, which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

### **5. RISK FACTORS RELATED TO THE GROUP'S FINANCES**

#### **5.1 *The TP ICAP Group and the Liquidnet Group require, and the Enlarged Group will require, significant liquidity to facilitate day-to-day operations. Insufficient liquidity could adversely impact the Enlarged Group's operations.***

The TP ICAP Group and the Liquidnet Group require, and the Enlarged Group will require, financial liquidity to facilitate trading and settlement by clients. In addition to significant cash balances, the TP ICAP Group maintains overdraft facilities provided by settlement agents or clearing banks in various jurisdictions to support the settlement process. The TP ICAP Group's and the Liquidnet Group's existing credit facilities impose certain operating and financial restrictions on their activities, and contain covenants that require maintaining specified financial ratios and satisfying specified financial tests that may limit how the Enlarged Group conducts its business going forward. In the medium to longer term, the Enlarged Group may be unable to renew existing facilities or raise additional financing and the withdrawal, non-renewal or lack of access to credit facilities, whether as a result of market conditions, general market disruption or a failure by the Enlarged Group itself, could severely impact the Enlarged Group's access to funding, which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

**5.2 *The TP ICAP Group's Matched Principal broking and Executing Broker activities and the resultant settlement processes create exposure to both market risk and liquidity risk that may reduce the Enlarged Group's liquidity and adversely affect its profitability.***

The TP ICAP Group arranges transactions using three distinct broking models: the Matched Principal model, the Executing Broker model, and the Name Passing (Name Give Up) Model.

The TP ICAP Group's Matched Principal activity, where the TP ICAP Group is the counterparty to both sides of a matching trade and enters into a commitment to simultaneously buy and sell financial instruments with counterparties, may give rise to market risk as a result of trades that fail to settle on the due date in executing trades for customers. Broking illiquid instruments, such as certain emerging markets bonds, may elevate the market risk of any residual balances should they occur. Additionally, proposed regulation, such as the European Central Securities Depositories Regulations (CSDR), which may impose penalties and mandatory buy-in procedures for failed or delayed settlements, may increase settlement and market risk for brokers such as TP ICAP which facilitate matched principal trading.

The TP ICAP Group's Executing Broker activity, where the TP ICAP 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 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 TP ICAP Group's policy is to close the unmatched position promptly, whether or not this results in a mark-to-market loss to the TP ICAP Group, reflecting the fact that the TP ICAP Group's risk management policies and the terms of its regulatory permissions, prevent the TP ICAP Group from taking proprietary positions in financial instruments, which can adversely impact the TP ICAP Group's results. The TP ICAP Group brokers large value transactions in volatile markets, and errors can and do occur, and can generate losses which could be material. Any error which gives rise to a significant loss or a series of such losses could adversely impact the Group's business, financial condition and results of operations, as well as damaging its reputation.

The TP ICAP Group's Matched Principal and Executing Broker models also give rise to liquidity risk. The TP ICAP Group uses settlement agents, and central clearing counterparties where appropriate, to effect the settlement of trades. Providers of these facilities generally require cash collateral or margin deposits from the TP ICAP 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 TP ICAP Group's control, operational errors or failures by the TP ICAP Group or a client, or by the TP ICAP Group's trading with counterparties who are not themselves members of a central clearing counterparty. Additionally, if during the settlement process the TP ICAP Group were to receive a security from the selling counterparty (paying cash in settlement of the same) but is unable to effect onward delivery of the security to the buying counterparty, such settlement would give rise to a funding requirement, reflecting the value of the security which the TP ICAP Group has 'failed to deliver' until such time as the delivery leg is finally settled, or the security sold, and the business has received the associated cash. 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 Enlarged Group's liquidity, and if the Enlarged 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 Enlarged Group's ability to trade under the Matched Principal and Executing Broker models.

Settlement failures on Matched Principal trades can also give rise to financing charges which may or may not be recoverable from the counterparty. In instances where the failure to deliver is prolonged or widespread, there may also be regulatory capital charges required to be taken by the Enlarged Group which, depending on their size and duration, could limit flexibility to transact other business and could adversely affect the Enlarged Group's business, financial condition and results of its operations.

**5.3 *Clients and counterparties that owe the Enlarged Group money, securities or other assets may fail to fulfil their obligations to the Enlarged Group, due to bankruptcy, lack of liquidity, operational failure or other reasons, and affect the Enlarged Group's own operational capability or its profitability.***

Where the TP ICAP Group brokers on a Matched Principal basis, the TP ICAP Group is exposed to a risk of loss if one of the counterparties to a transaction defaults prior to the settlement date, requiring the TP ICAP Group to replace the defaulted contract in the market by brokering a replacement trade. This is a contingent risk in that the TP ICAP Group will only suffer loss if the market price of the securities has moved adversely to the original trade price. The TP ICAP Group undertakes a limited amount of Matched Principal broking where a counterparty is buying its own securities and, in these circumstances, if such counterparty defaults prior to settlement, the risk of loss due to movement in the value of the securities is heightened. The TP ICAP

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 TP ICAP Group brokers on a Matched Principal basis it is exposed to settlement risk in cases where a counterparty defaults on its contractual obligation to deliver securities or cash after the TP ICAP Group has completed its part of the transaction. Unlike with pre-settlement risk, in such cases, settlement risk exposes the TP ICAP Group to the full principal value of the transaction. The TP ICAP 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 may have a significant impact on the Enlarged Group's business, financial condition and results of its operations.

Where the TP ICAP Group operates on a Name Passing basis, whereby counterparties to a transaction settle directly with each other, it is exposed to the risk that the client fails to pay the brokerage commissions it is charged. The TP ICAP Group generally invoices clients 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 Enlarged Group.

The TP ICAP Group is also exposed to counterparty credit risk in respect of cash deposits held with financial institutions. The TP ICAP 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.

Although the TP ICAP Group seeks to mitigate its credit risk through the adoption of specific credit risk management policies, 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 inter-connected 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 Enlarged Group's business, financial condition and results of operations may be materially adversely affected in the event of a significant default by any of its clients 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.

***5.4 There can be no assurance that the Enlarged Group will be able to secure borrowings on commercially favourable terms, or at all, and the failure to secure borrowings on commercially favourable terms may adversely affect the Enlarged Group's business, financial condition, results of operations and/or prospects.***

The Enlarged Group's ability to borrow funds or access debt capital markets is dependent on a number of factors, including the credit market's view of the Enlarged Group, credit market conditions generally and the Enlarged Group's credit ratings. The credit market's view of the Enlarged Group and its credit ratings could be adversely affected by many factors, including an actual or perceived material deterioration in the market environment in which the Enlarged Group operates or a significant increase in indebtedness. The Enlarged Group's credit ratings have been and may continue to be affected by these and other factors. See "*Damage to the Enlarged Group's reputation and other consequences of perceived or actual failures in governance or regulatory compliance, or in operational or financial controls, may materially and adversely impact the Enlarged Group.*"

The TP ICAP Group is not, and the Enlarged Group would not be, required to refinance its existing debt within the next 12-month period. However, should the Enlarged Group choose to refinance any existing debt or obtain new financing (for example, in order to make new investments), difficult credit market conditions and/or a significant lowering of the Enlarged Group's credit rating may make it difficult for the Enlarged Group to obtain such financing on terms that are as favourable as those applicable to its current borrowings (including as to costs, an increase in interest rates or applicable covenants). If the Enlarged Group's borrowings become more expensive, the Enlarged Group's finance expense could increase significantly, which could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group.

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

The TP ICAP Group and the Liquidnet Group report their financial results in pounds sterling and U.S. dollars, respectively. However, a significant proportion of the activities of both the TP ICAP Group and the Liquidnet



Group is conducted outside the United Kingdom and the United States, in currencies other than pounds sterling and U.S. dollars, respectively. For the purposes of preparing their consolidated financial statements, the TP ICAP Group and the Liquidnet Group convert the results of operations of subsidiaries that account in other currencies into sterling or U.S. dollars, as applicable, at period average or period-end rates in accordance with applicable financial reporting standards. Following Completion of the Acquisition, the results of operations of the Liquidnet Group will be converted to pounds sterling for purposes of preparing consolidated financial statements of the Enlarged Group. As a result, the TP ICAP Group's and the Liquidnet Group's reported results of operations are, and the results of operations of the Enlarged Group will be, affected by movements in the exchange rates between their respective reporting currencies and the other currencies in which their respective group companies operate, and these movements can have a significant impact on the Enlarged Group's business, financial condition and results of operations.

Moreover, in the ordinary course of business the TP ICAP Group does not attempt to mitigate its currency exposure through the use of hedging contracts. The TP ICAP Group also has an exposure to the effect of movements in foreign exchange rates on its financial assets and liabilities denominated in foreign currencies. Significant movements in exchange rates can have a material adverse effect on the value of the Enlarged Group's assets denominated in foreign currencies, which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The TP ICAP Group and Liquidnet Group are exposed to interest rate risk in that the rates of interest which they receive on their interest earning assets may not match the rates that it pays on its borrowings and other interest-bearing liabilities and these differences can affect its results of operations in each financial period.

The TP ICAP Group and the Liquidnet Group are, and the Enlarged Group will be, subject to taxes in the various jurisdictions in which they operate and any failure to comply with all local tax rules and regulations may result in penalties and fines. The TP ICAP Group and the Liquidnet Group are, and the Enlarged Group will be, exposed to changes in taxation rates and regimes that may result in an increased proportion of profit being paid in taxation, or may result in certain activities becoming less profitable or unprofitable through the imposition of higher transaction taxes or indirect taxes borne by the Enlarged Group or its clients. The TP ICAP Group has exposure to historic tax issues including through businesses that have been acquired, and the Enlarged 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, which could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group. Additionally, whilst the Liquidnet Group has accumulated certain net operating loss carryforwards (NOLs) which could be used in the future to reduce taxable income, such NOLs are subject to certain limitations that may restrict their use against future taxable income, which could result in the Enlarged Group being unable to benefit from such NOLs. To the extent that the Liquidnet Group believes that it is more likely than not that its future operations will not generate sufficient taxable income, a valuation allowance has been recorded to offset the deferred tax benefit of the NOLs.

## ***5.6 An impairment of goodwill or other intangible assets could adversely affect the Enlarged Group's reputation or reported results of operations.***

Goodwill arising on consolidation (including arising from the Acquisition) represents the excess of the cost of acquisition over the TP ICAP Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary or associate at the date of acquisition. Goodwill is initially recognised at cost and subsequently measured at cost less any accumulated impairment losses. 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.

Goodwill is allocated to each of the TP ICAP Group's cash-generating units (CGUs) expected to benefit from the synergies of the combination. If the CGU meets with unexpected difficulties, or if the business of the TP ICAP Group does not develop as expected, the value of the CGU could be deemed to be less than its carrying value, and impairment charges may then be incurred which could be significant and which could have an adverse effect on the Enlarged Group's results of operations and financial condition. For example, as a result of the TP ICAP Group's annual review for 2019, the carrying value of the Asia Pacific CGU was written down by £24 million. As a result of the TP ICAP Group's impairment review for 2018, the carrying value of its Americas CGU was written down by £58 million and the carrying value of the Asia Pacific CGU was written down by £7 million, both of which were included as acquisition-related items in the TP ICAP Group's results of operations.

Upon Completion of the Acquisition, the excess of the cost of acquisition over the Enlarged Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of Liquidnet at the date of acquisition, will be recorded as goodwill on the Enlarged Group's consolidated balance sheet. In addition, other intangible assets will be recorded as a result of the purchase price allocation. If the combination of the businesses meets with unexpected difficulties, or if the business of the Enlarged Group does not develop as expected, or if the value of the Liquidnet Group proves to be less than the consideration paid by the TP ICAP Group, goodwill 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. Such charges may also reduce the TP ICAP Group's distributable reserves and thus reduce its ability to pay future dividends.

**5.7 *Changes in the Enlarged 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 will govern the preparation of the Enlarged Group's financial statements. These changes can be difficult to predict and may materially impact how the Enlarged Group records and reports its financial condition and results of operations. In some cases, the Enlarged Group could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements.

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

**5.8 *Changes in judgements, estimates and assumptions made by management in the application of the Enlarged Group's accounting policies may result in significant changes to the Enlarged Group's reported financial condition and results of operations.***

Accounting policies and methods are fundamental to how the Enlarged Group will record and report its financial condition and results of operations. In the application of the Enlarged 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 ongoing 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 managements of the TP ICAP Group and the Liquidnet Group have identified the following significant judgements and estimates that 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 provisions—provisions are established 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; and
- the disclosure 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, which may take an extended period of time to materialise and which may not be wholly within the control of the TP ICAP Group or the Liquidnet Group. Judgements are also applied in concluding the appropriateness of contingent liabilities disclosure.

For additional information on the TP ICAP Group's and Liquidnet Group's significant judgements and estimates, see Note 3(w) to the TP ICAP 2019 Financial Statements and Note 3 to the Liquidnet Historical Financial Information.

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

## **6. RISKS RELATING TO THE RIGHTS ISSUE AND INVESTMENT IN SHARES**

### **6.1 *The value of an investment in the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares may go down as well as up and any fluctuations may be material.***

TP ICAP's share price has fluctuated and may continue to fluctuate. The market price of the Nil Paid Rights, Fully Paid Rights and the New Ordinary Shares could also be subject to significant fluctuations due to a change in sentiment in the market regarding these securities. The factors which may affect the TP ICAP's share price, and the price of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares, include (but are not limited to):

- the success of the Acquisition, and in particular and the Enlarged Group's ability to achieve revenue growth and margin expansion in line with its stated financial targets;
- the Enlarged Group's expected and actual performance and the performance of the industries and markets in which it operates;
- speculation regarding mergers or acquisitions involving, and/or major divestments by, the Enlarged Group or its competitors;
- future issues of Ordinary Shares, or large purchases or sales of Ordinary Shares in the market; and
- announcements of changes in TP ICAP's credit rating.

Furthermore, TP ICAP's share price, and the price of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares, may fall in response to market appraisal of its current strategy or if the Enlarged Group's operating results and/or prospects from time to time are below the prior expectations of market analysts and investors. In addition, stock markets have from time to time experienced significant price and volume fluctuations that have affected the market price of securities and which may be unrelated to the Enlarged Group's operating performance and prospects.

Any of these events could result in a decline in the market price of the Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.

### **6.2 *A trading market for the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not develop as expected or at all.***

Applications have been made to admit the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective at 8.00 a.m. on 2 February 2021. There can be no assurance, however, that Admission will become effective or that an active trading market in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares will develop upon or following Admission. In addition, because the trading price of the Nil Paid Rights and Fully Paid Rights depends on the trading price of the Ordinary Shares, the Nil Paid Rights and the Fully Paid Rights prices may be volatile and subject to the same risks as noted elsewhere in this Prospectus in respect of the Ordinary Shares.

### **6.3 *The market price for the Ordinary Shares may decline below the Rights Issue Price.***

The public trading market price of the Ordinary Shares may decline below the Rights Issue Price. Should that occur prior to the latest time and date for acceptance under the Rights Issue, Shareholders who exercise their rights in the Rights Issue will suffer an immediate loss as a result. Moreover, following the exercise of their rights, Shareholders may not be able to sell their New Ordinary Shares at a price equal to or greater than the subscription price for those shares. Shareholders who decide not to exercise their Nil Paid Rights may also sell or transfer them. If the public trading market price of the Ordinary Shares declines below the Rights Issue Price, investors who have acquired any such Nil Paid Rights in the secondary market will likely suffer a loss as a result.

The market price of the Ordinary Shares may fluctuate and may not always reflect the underlying asset value of the Enlarged Group.

**6.4 *Shareholders in the United States and other jurisdictions outside the United Kingdom may not be able to take up their entitlements under the Rights Issue.***

TP ICAP shareholders in the United States may not be permitted to take up their entitlements in the Rights Issue unless either the rights and the New Ordinary Shares are registered under the U.S. Securities Act, or TP ICAP has available to it, and utilises, an exemption from the registration requirements of the U.S. Securities Act. There can be no assurance that TP ICAP will file any such registration statement, or that an exemption from the registration requirements of the U.S. Securities Act will be available, which would result in Shareholders in the United States being unable to take up their entitlements under the Rights Issue.

The investment activities of certain investors, including those outside the United Kingdom, are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each Shareholder, and any potential investor should consult its legal advisers to determine whether and to what extent (1) the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares are legal investments for it, (2) the Ordinary Shares can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of Nil Paid Rights, Fully Paid Rights and any New Ordinary Shares. Relevant prospective investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Nil Paid Rights, the Fully Paid Rights and New Ordinary Shares under any applicable risk-based capital or similar rules.

**6.5 *Shareholders who do not (or are not permitted to) subscribe for New Ordinary Shares in the Rights Issue will experience dilution in their ownership of TP ICAP.***

If any Shareholder does not take up the offer of New Ordinary Shares under the Rights Issue, either because the Shareholder is in the United States or another jurisdiction where their participation is restricted for legal, regulatory and other reasons or because the Shareholder does not respond by 11.00 a.m. on 16 February 2021, being the expected latest time and date for acceptance and payment in full for that Shareholder's provisional allotment of the New Ordinary Shares, and that Shareholder's Nil Paid Rights to subscribe for the New Ordinary Shares lapse, the Shareholders' proportionate ownership and voting interests as well as the percentage that their shares will represent of the total issued ordinary share capital of the Company will be reduced accordingly. Even if a Shareholder elects to sell their unexercised Nil Paid Rights, or such Nil Paid Rights are sold on their behalf, the consideration the Shareholder receives may not be sufficient to compensate them fully for the dilution of their percentage ownership of TP ICAP's share capital that may be caused as a result of the Rights Issue.

If, however, the Underwriters are unable to find subscribers for such New Ordinary Shares or are unable to achieve a price at least equal to the Rights Issue Price and the related expenses of procuring such subscribers, Shareholders will not receive any consideration for the Nil Paid Rights they have not taken up.

Furthermore, to the extent that Shareholders do not exercise their Nil Paid Rights to subscribe for the New Ordinary Shares, their proportionate ownership and voting interest in TP ICAP will be reduced and the percentage that the Ordinary Shares of that Shareholder would represent of the total share capital of TP ICAP will also be reduced accordingly. Any consideration received may not be sufficient to compensate that Qualifying Shareholder fully for the dilution of their percentage ownership of TP ICAP's issued ordinary share capital that may be caused as a result of the Rights Issue.

**6.6 *Any future issue of Ordinary Shares will further dilute the holdings of Shareholders of TP ICAP and could adversely affect the market price of the Ordinary Shares.***

Other than pursuant to the Rights Issue, TP ICAP has no current plans for an offering of Ordinary Shares apart from possible offerings in relation to employee share plans. However, it is possible that TP ICAP may decide to offer additional Ordinary Shares in the future, either to raise capital or for other purposes. If Shareholders did not take up such offer of Ordinary Shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in TP ICAP would be reduced and the percentage that their Ordinary Shares would represent of the total share capital of TP ICAP would be reduced accordingly. Any additional offering, issues of Ordinary Shares or significant sales of Ordinary Shares by major Shareholders could have a material adverse effect on the market price of the Ordinary Shares.

**6.7 *It may not be possible to effect service of process upon TP ICAP or the Directors or enforce court judgements against TP ICAP or the Directors outside the United Kingdom.***

TP ICAP is incorporated in England and Wales. A significant amount of TP ICAP's assets is located in the United Kingdom. In addition, the majority of the Directors and senior management are located in the United

Kingdom. As a result, it may not be possible for investors outside the United Kingdom to effect service of process against TP ICAP or the Directors or to enforce the judgement of a court outside the United Kingdom against TP ICAP or the Directors based on civil liabilities under that country's securities laws.

There can be no assurance that a non-UK Shareholder will be able to enforce any judgements in civil and commercial matters or any judgements under the securities laws of countries other than the United Kingdom against TP ICAP's directors and executive officers who are residents of the United Kingdom or countries other than those in which the judgement is made. In addition, English or other courts may not impose civil liability on TP ICAP or TP ICAP's directors and executive officers in any original action based solely on foreign securities laws brought against TP ICAP or TP ICAP's directors and executive officers in a court of competent jurisdiction in England and Wales or other countries.

**6.8 *The level of any dividend paid in respect of the Ordinary Shares is subject to a number of factors.***

The level of any dividend paid in respect of the Ordinary Shares is within the discretion of the Board and is subject to a number of factors, including the business and financial condition, earnings, cash flow and regulatory capital position of, and other factors affecting, the Enlarged Group, as well as the availability of retained earnings and of funds from which dividends can be legally paid. Any reduction in dividends paid on the Ordinary Shares from those historically paid, or the failure to pay dividends in any financial year, could adversely affect the market price of New Ordinary Shares.

**6.9 *Shareholders may be subject to exchange rate risks.***

The Ordinary Shares are priced in pounds sterling and are quoted and traded in sterling. In addition, any dividends TP ICAP pays will be declared and paid in sterling. Accordingly, holders of the Ordinary Shares are subject to risks arising from adverse movements in the value of their local currencies against sterling, which may reduce the value of the Ordinary Shares, as well as that of any dividends paid by TP ICAP.

### PART III

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

<b>Directors</b>	Richard Berliand ( <i>Chairman</i> ) Nicolas Breteau ( <i>Group Chief Executive Officer</i> ) Robin Stewart ( <i>Group Chief Financial Officer</i> ) Philip Price ( <i>Group General Counsel</i> ) Angela Knight ( <i>Senior Independent Non-Executive Director</i> ) Edmund Ng ( <i>Independent Non-Executive Director</i> ) Roger Perkin ( <i>Independent Non-Executive Director</i> ) Michael Heaney ( <i>Independent Non-Executive Director</i> ) Angela Crawford-Ingle ( <i>Independent Non-Executive Director</i> ) Mark Hemsley ( <i>Independent Non-Executive Director</i> ) Tracy Clarke ( <i>Independent Non-Executive Director</i> )
<b>Proposed Director</b>	Kath Cates ( <i>Independent Non-Executive Director</i> <sup>1</sup> )
<b>Company Secretary</b>	Richard Cordeschi
<b>Registered Office of the Company</b>	Floor 2, 155 Bishopsgate London EC2M 3TQ United Kingdom
<b>Sole Sponsor, Sole Global Co-ordinator, Joint Bookrunner and Financial Adviser</b>	HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom
<b>Joint Bookrunner and Lead Financial Adviser</b>	BofA Securities 2 King Edward Street London EC1A 1HQ United Kingdom
<b>Joint Bookrunner</b>	J.P. Morgan Securities 25 Bank Street Canary Wharf London E14 5JP United Kingdom
<b>Joint Bookrunner</b>	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET United Kingdom
<b>English and U.S. legal advisers to the Company</b>	Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom
<b>English and U.S. legal advisers to the Underwriters</b>	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom
<b>Auditors and Reporting Accountants to TP ICAP</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

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<sup>1</sup> Appointment effective from 1 February 2021.

**Registrar**

Link Group  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
United Kingdom

**Receiving Agent**

Link Group  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
United Kingdom

**PART IV**  
**EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND RIGHTS ISSUE STATISTICS**  
**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

<b>Announcement of the Rights Issue and Acquisition . . . . .</b>	9 October 2020
<b>Publication of this Prospectus and posting of the Circular (which includes the Notice of General Meeting) and the Forms of Proxy . . . . .</b>	7 January 2021
<b>Record date for entitlements under the Rights Issue . . . . .</b>	Close of business on 27 January 2021
Latest time and date for receipt of Forms of Proxy . . . . .	1.45 p.m. on 28 January 2021
<b>General Meeting . . . . .</b>	1.45 p.m. on 1 February 2021
Dispatch of Provisional Allotment Letters (to Qualifying Non-CREST Shareholders only) <sup>(1)</sup> . . . . .	1 February 2021
Ex-entitlement date for the Rights Issue . . . . .	8.00 a.m. on 2 February 2021
<b>Admission and commencement of dealings in New Ordinary Shares, nil paid, on the London Stock Exchange . . . . .</b>	8.00 a.m. on 2 February 2021
Stock accounts credited with Nil Paid Rights (for Qualifying CREST Shareholders only) . . . . .	as soon as practicable after 8.00 a.m. on 2 February 2021
Nil Paid Rights and Fully Paid Rights enabled in CREST . . .	as soon as practicable after 8.00 a.m. on 2 February 2021
Recommended latest time and date for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form) . . . . .	4.30 p.m. on 10 February 2021
Latest time and date for receipt of instructions under Special Dealing Service in respect of Cashless Take-up or disposal of Nil Paid Rights . . . . .	11.00 a.m. on 11 February 2021
Dealings commence in relation to Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Service . . . . .	11 February 2021
Latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights or Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them to uncertificated form) . . . . .	3.00 p.m. on 11 February 2021
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid . . . . .	3.00 p.m. on 12 February 2021
Settlement of dealings in relation to Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Service . . .	15 February 2021
Dispatch of cheques in relation to proceeds of disposal of Nil Paid Rights under Special Dealing Service . . . . .	15 February 2021
<b>Latest time and date for acceptance and payment in full and registration of renounced Provisional Allotment Letters . . .</b>	11.00 a.m. on 16 February 2021
Results of Rights Issue to be announced through a Regulatory Information Service . . . . .	by 8.00 a.m. on 17 February 2021
<b>Commencement of dealings in New Ordinary Shares fully paid on the London Stock Exchange . . . . .</b>	8.00 a.m. on 17 February 2021



New Ordinary Shares credited to CREST accounts (for Qualifying CREST Shareholders only) . . . . .	as soon as practicable after 8.00 a.m. on 17 February 2021
Dispatch of definitive share certificates for New Ordinary Shares in certificated form (to Qualifying Non-CREST Shareholders only) . . . . .	by no later than 2 March 2021
Completion of the Acquisition . . . . .	first quarter of 2021
Long Stop Date for the Acquisition . . . . .	9 October 2021

(1) Subject to certain restrictions relating to Overseas Shareholders. See paragraph 8 of Part X: “*Terms and Conditions of the Rights Issue*” of this document.

Each of the times and dates in the above timetable is subject to change in which event details of the new times and dates will be notified to the Financial Conduct Authority, the London Stock Exchange and, where appropriate, Qualifying Shareholders through a Regulatory Information Service. References to times are to London time unless otherwise stated.

## RIGHTS ISSUE STATISTICS

Rights Issue Price . . . . .	140.0 pence
Basis of Rights Issue . . . . .	2 New Ordinary Shares for every 5 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue as at the Latest Practicable Date . . . . .	563,336,380
Number of New Ordinary Shares to be provisionally allotted pursuant to the Rights Issue <sup>(1)</sup> . . . . .	225,334,552
Number of Ordinary Shares in issue immediately following the completion of the Rights Issue <sup>(1)</sup> . . . . .	788,670,932
New Ordinary Shares as a percentage of the enlarged issued share capital of the Company immediately following completion of the Rights Issue <sup>(1)</sup> . . . . .	28.6 per cent.
Estimated gross proceeds of the Rights Issue . . . . .	£315 million
Estimated net proceeds of the Rights Issue receivable by the Company, after deduction of underwriting commissions . . . . .	approximately £309 million

(1) The actual number of New Ordinary Shares will be subject to rounding to eliminate fractions.

**PART V**  
**IMPORTANT INFORMATION**

**Notice to All Investors**

This document comprises a prospectus for the purposes of Article 6 of the UK Prospectus Regulation and amendments thereto and is issued in compliance with the Listing Rules.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Rights Issue. Neither the Company, the Underwriters nor any of their respective representatives is making any representation to any offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares regarding the legality of an investment in the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares by such offeree. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Investors should rely solely on the information contained in this document and the information incorporated by reference into this document (and any supplementary prospectus produced to supplement the information contained in this document) when making a decision as to whether to acquire New Ordinary Shares, Nil Paid Rights or Fully Paid Rights. 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 representation must not be relied upon as having been so authorised by the Company, the Directors, the Proposed Director or the Underwriters. None of the Company, the Directors, the Proposed Director or the Underwriters, or any of their respective representatives, is making any representation to any Shareholder or purchaser of the New Ordinary Shares or Existing Ordinary Shares regarding the legality of an investment by such Shareholder under the laws applicable to such Shareholder or purchaser.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4.1 of the Prospectus Regulation Rules, neither the delivery of this document nor any issue or sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Company and its subsidiaries taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date. The Company will update the information provided in this document by means of a supplement hereto if required by law or regulation pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules. The Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules.

None of the Underwriters, the Financial Adviser nor any of their respective affiliates, directors, officers, employees or advisers accept any responsibility whatsoever for, or make any representation or warranty, express or implied, as to the contents of this document, including as to the accuracy, completeness or verification of the information set forth in this document or for any other statement made or purported to be made by it or on behalf of it, the Company, the Directors, the Proposed Director or any other person, in connection with the Company, the New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights, the Rights Issue or Admission, and nothing in this document should be relied upon as a promise of representation in this respect, whether as to the past or the future. Each of the Underwriters and their respective affiliates, directors, officers, employees and advisers accordingly disclaim to the fullest extent permitted by law all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this document or any such statement.

The prospective investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this document or their investment decision; (ii) they have relied only on the information contained in this document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the New Ordinary Shares, Nil Paid Rights or Fully Paid Rights (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriters. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state's securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

In connection with the Rights Issue, the Underwriters and any of their respective affiliates may take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Shares, Nil Paid Rights and Fully Paid Rights) and may offer or sell such security otherwise than in connection with the Rights Issue.

Accordingly, references in this document to Nil Paid Rights, Fully Paid Rights or New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters and any of their affiliates acting as investors for their own account. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares.

Except as required by applicable law or regulation, none of the Underwriters propose to make any public disclosure in relation to such transactions.

### **Notice to Investors in the United States of America**

The New Ordinary Shares and any entitlements thereto have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any State or other jurisdiction of the United States.

Subject to certain exceptions, neither this Prospectus nor the Provisional Allotment Letter, constitutes or will constitute, or forms or will form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, New Ordinary Shares to any Shareholder with a registered address in, or who is resident or located in, the United States. Subject to certain exceptions, if you are in the United States, you may not acquire any New Ordinary Shares offered hereby.

Notwithstanding the foregoing, the Company reserves the right to deliver the Provisional Allotment Letter to, and the New Ordinary Shares may be offered to and acquired by, investors in the United States reasonably believed by the Company to be QIBs in reliance on Rule 144A in offerings exempt from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. The New Ordinary Shares are being offered outside the United States in reliance on Regulation S of the U.S. Securities Act.

A QIB will be permitted to subscribe for the New Ordinary Shares only if the QIB (i) returns a duly completed and executed investor representation letter to the Company, in accordance with the instructions of its custodian or nominee; and (ii) such investor representation letter has been accepted by the Company in writing.

Any envelope containing a Provisional Allotment Letter and post-marked from the United States will not be valid unless it contains a duly executed investor representation letter in the appropriate form, which is accepted by the Company in writing. Similarly, any Provisional Allotment Letter in which the exercising holder requests New Ordinary Shares to be issued in registered form and gives an address in the United States will not be valid unless it contains a duly executed investor representation letter, which is accepted by the Company in writing. The payments paid in respect of a Provisional Allotment Letter that do not meet the foregoing criteria will be returned without interest, at the risk of the payer.

No representation has been, or will be, made by the Company, the Underwriters or any of their respective Affiliates as to the availability of Rule 144 under the U.S. Securities Act or any other exemption under the U.S. Securities Act or any state securities laws for the re-offer, pledge or transfer of the New Ordinary Shares.

Any person in the United States who obtains a copy of this Prospectus or the Provisional Allotment Letter and who is not a QIB is required to disregard it.

### **Overseas Territories Other than the United States of America**

The distribution of this document in certain jurisdictions other than the UK may be restricted by law. No action has been taken by the Company or the Underwriters to distribute this document (or any other offering or publicity materials relating to the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares) in any other jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose

possession this document comes are required by the Company to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Shareholders who held Ordinary Shares on the Record Date and who have registered addresses in or who are resident in, or who are citizens of, all countries other than the UK should refer to paragraph 12 of Part VII: *“Information on the acquisition and the rights issue”* of this document.

## **Presentation of Financial Information**

The TP ICAP 2019, 2018, and 2017 Financial Statements and the Liquidnet 2019, 2018 and 2017 Historical Financial Information have been prepared in accordance with IFRS. The TP ICAP 2020 Interim Financial Statements and the Liquidnet 2020 Interim Financial Statements have been prepared in accordance with IAS 34 (except for the omission of separate disclosures of financial information for the three month period commencing 1 July 2020 and ending 30 September 2020).

The TP ICAP Group adopted IFRS 16 (Leases) (**IFRS 16**) as at 1 January 2019, using the cumulative catch-up approach. Under this transition method, comparative information is not restated and cumulative adjustments on initial application are recognised in the opening balance sheet as at 1 January 2019. On adoption, right of use assets and lease liabilities were brought onto the balance sheet for £101 million and £145 million, respectively, and related depreciation and interest costs are recognised in the income statement instead of lease expenses. The TP ICAP 2017 Financial Statements and the TP ICAP 2018 Financial Statements do not reflect the changes from the application of IFRS 16. Those consolidated financial statements applied IAS 17 and related interpretations, which was the accounting standard in effect at that time for those periods.

The TP ICAP Group adopted IFRS 9 (Financial Instruments) (**IFRS 9**) from 1 January 2018. Under the transition methods chosen, comparative information was not restated as permitted by the standard. On adoption, the TP ICAP Group recognised £4 million as a reduction to the opening balance of retained earnings as at 1 January 2018. The TP ICAP 2017 Financial Statements do not reflect the changes from the application of IFRS 9. Those consolidated financial statements applied IAS 39, which was the accounting standard in effect at that time for those periods.

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 the Company are disclosed in the notes accompanying the TP ICAP Consolidated Financial Statements.

Under IFRS, the Acquisition will be accounted for using the acquisition method. TP ICAP is the acquirer. In the TP ICAP Consolidated Financial Statements, the identifiable assets acquired and liabilities assumed of Liquidnet will be recognised at fair value; the excess of the cost of the Acquisition over the net fair value of the identifiable assets acquired and liabilities assumed recognised will be recorded as goodwill.

## **Segments**

In accordance with IFRS 8 (Operating Segments) (**IFRS 8**), the TP ICAP Group is organised into three geographic reporting segments: EMEA, the Americas and Asia Pacific. There are no inter-segment sales included in the TP ICAP Group's geographic segment revenue. Under the IFRS 16 transition approach adopted by the TP ICAP Group, segment results for the years ended 31 December 2017 and 2018 which were prepared under IAS 17 have not been restated to reflect the treatment of segments by the TP ICAP Group subsequent to the adoption of IFRS 16 from 1 January 2019. Consequently, the segment results for the year ended 31 December 2019 are not directly comparable with those reported for previous periods.

Revenue arising in each of TP ICAP's geographic reportable segment is derived from four divisions that are client-facing and front office, i.e., revenue-generating staff: Global Broking, Energy & Commodities, Institutional Services, Data & Analytics. TP ICAP's fifth division, Corporate Centre, does not generate revenue. Inter-division revenue has been recognised in the Global Broking and Energy & Commodities divisions to identify the value of data provided by these divisions to the Data & Analytics division. Within the Global Broking division, the TP ICAP Group recognises revenue from five separate business lines: Rates, Credit, FX & Money Markets, Emerging Markets and Equities. In 2019, part of the Rates business line (representing the Relative Value (**RV**) businesses) were reclassified from Global Broking to the Institutional Services division. The 2018 division results were reclassified to reflect this change, but division results for 2017 and previous periods were not reclassified. Consequently, the division results for the years ended 31 December 2018 and 2019 are not directly comparable with those reported for previous periods.

The Liquidnet Group's results are reported based on a single operating segment and reporting unit structure.

## Unaudited 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 XXIII: “*Unaudited Pro Forma Financial Information of the Enlarged Group*” of this document.

The unaudited pro forma financial information is for illustrative purposes only, to illustrate the effect on the profit and financial position of the TP ICAP Group of the Rights Issue and the Acquisition. The unaudited pro forma statement of net assets has been presented assuming the Rights Issue and the Acquisition had occurred on 30 September 2020. The unaudited pro forma income statement for the year ended 31 December 2019 and for the nine months ended 30 September 2020 have been presented assuming the Acquisition had occurred on 1 January 2019 and 1 January 2020, respectively. Owing to its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of the Enlarged Group. Further results of operations may differ materially from those presented in the unaudited pro forma information due to various factors. The Unaudited Pro Forma Financial Information has not been prepared, or shall not be construed as having been prepared, in accordance with the Regulation S-X under the U.S. Securities Act.

## Alternative Performance Measures and Key Performance Indicators (KPIs) Used by the TP ICAP Group

This document contains certain alternative performance measures and key performance indicators that are not defined or recognised under IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based require a level of judgement and can vary from company to company.

These alternative performance measures and key performance indicators are included because the Directors believe that they are used widely by certain investors, securities analysts and other interested parties as supplemental measures of operating performance and liquidity. The TP ICAP Group uses such measures to measure operating performance and liquidity, in presentations to the Board and as basis for strategic planning and forecasting as well as monitoring certain aspects of its operating cash flows. These are not the measures of operating performance derived in accordance with IFRS and should not be considered in isolation or as a substitute for analysis of the TP ICAP Group historical financial results based on IFRS.

These alternative performance measures and key performance indicators include:

- *Average contribution per broker*—which represents Broking contribution divided by the average broker headcount.
- *Average revenue per broker*— defined as Total Broking revenues divided by average broker headcount.
- *Contribution*—calculated as the sum of Broking contribution and Data & Analytics contribution. Contribution measures the underlying profitability of the TP ICAP Group’s business, in that the absolute level is important due to the fact that contribution less management support costs flows through to operating profit. The TP ICAP Group measures Broking contribution and Data & Analytics contribution as follows:
  - Broking contribution represents Total broking revenues less total front office costs of the Global Broking, Energy & Commodities and Institutional Services divisions, inclusive of the revenue internally generated from data provided to the Data & Analytics business.
  - Data & Analytics contribution represents Data & Analytics revenue less total front office costs associated with running the business, including the cost of internally generated data from the broking businesses.
- *Ratio of front office to support function employees*—calculated by dividing the number of front office (i.e., revenue-generating) employees by the number of support function employees. The ratio of front office employees to support function employees is an indicator of the efficiency of the Group’s business model. This measure is a key performance indicator used by the TP ICAP Group.
- *Total Broking revenues*—calculated by revenue less Data & Analytics revenue, represents revenues from the Global Broking, Energy & Commodities and Institutional Services divisions including inter-division revenues.
- *Underlying earnings*—calculated as profit for the year, adjusted for acquisition, disposal and integration costs, exceptional items and taxation.

- *Underlying operating profit*—calculated as operating profit, adjusted to deduct acquisition, disposal & integration costs, and exceptional items (which include charges relating to business reorganisation, pension scheme past service and closure costs, charges relating to employee long-term benefits, charges relating to exceptional legal and regulatory costs and settlements, and related taxation). Underlying operating profit is considered by management to be a useful supplemental measure of financial performance.
- *Underlying profit before tax*—calculated as profit before tax, adjusted to deduct acquisition, disposal & integration costs, and exceptional items (which include charges relating to business reorganisation, pension scheme past service and closure costs, charges relating to employee long-term benefits, charges relating to exceptional legal and regulatory costs and settlements, and related taxation).
- *Underlying operating profit margin*—calculated by dividing underlying operating profit by revenue for the period. Underlying operating profit margin is a measure of the underlying profitability of the business and is principally driven by revenue, broker compensation and other administrative expenses. This is also referred to as Underlying EBIT margin.

The calculation of the above alternative performance measures and reconciliations to the relevant nearest IFRS measure are provided in Part XVI: “*Selected Financial Information of the TP ICAP Group—Other Financial Information*” of this document and such portions of the TP ICAP 2019, TP ICAP 2018 and TP ICAP 2017 Annual Report, as defined below, as are incorporated by reference herein.

### **Alternative Performance Measures Used by the Liquidnet Group**

This Liquidnet Group uses certain alternative performance measures that are not defined or recognised under IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based require a level of judgement and can vary from company to company.

The Liquidnet Group uses such measures to measure operating performance and as basis for strategic planning and forecasting. These are not measures of operating performance derived in accordance with IFRS and should not be considered in isolation or as a substitute for analysis of the Liquidnet Group historical financial results based on IFRS.

These alternative performance measures include:

- EBITDA—defined as the Liquidnet Group’s consolidated profit for the period, adjusted to subtract finance income and add back taxation, finance costs and depreciation and amortisation.
- Adjusted EBITDA—defined as EBITDA for the period adjusted to add back impairment, equity based compensation, dual occupancy expense and other non-recurring items.

### **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.

### **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”, “U.S. 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.

A significant portion of the TP ICAP Group’s activity is conducted outside the UK and the TP ICAP Group’s reported financial results are therefore impacted by the movement in the foreign exchange rates used to translate such results from its non-UK operations.

The term “constant currency” as used in this Prospectus refers to the rebasing of prior period results by calculating the foreign exchange translation applied to the prior period using the average or period-end foreign exchange rates for the period under review, as applicable, in order to eliminate the effect of fluctuations arising

from foreign exchange translation in comparisons of period-on-period financial performance. The calculation of figures on a constant currency basis is used in this Prospectus to adjust for the impact of fluctuations in foreign exchange rates between accounting periods when translating certain non-pound sterling (such as U.S. dollar and euro) results into the TP ICAP Group's functional currency (which is the pound sterling). To calculate comparative figures on a constant currency basis, the TP ICAP Group's non-pound sterling prior period comparatives are translated using the same foreign exchange rates applied in translating results in the period under review. The Directors believe this allows for a more direct comparison of underlying performance between any given accounting periods.

In this Prospectus, constant currency is generally used only to emphasise a particularly noteworthy difference between reported and constant currency results or in the context of metrics that require its usage, such as revenue growth. The average and period-end U.S. dollar / pound sterling and euro / pound sterling exchange rates used for the constant currency calculation are as follows:

	Average				Period-End			
	Twelve months ended	Twelve months ended	Nine months ended	Nine months ended	31 December	31 December	30 September	30 September
	31 December 2018	31 December 2019	30 September 2019	30 September 2020	31 December 2018	31 December 2019	30 September 2019	30 September 2020
U.S. Dollar .....	1.34	1.28	1.28	1.28	1.28	1.32	1.29	1.29
Euro .....	1.13	1.14	1.13	1.14	1.13	1.18	1.13	1.10

The Directors believe that constant currency measures have limitations. The Directors do not evaluate the TP ICAP Group's results and performance on a constant currency basis without also evaluating the TP ICAP Group's financial information prepared at actual foreign exchange rates in accordance with IFRS. The measures presented on a constant currency basis should not be considered in isolation or as an alternative to the measures reported on the TP ICAP Group's financial statement or the notes thereto, and should not be construed as a representation that the relevant currency could be or was converted into pounds sterling at that rate or at any other rate.

## Profit Forecast

Nothing in this document is intended, or is to be construed, as a profit forecast for the Company, the TP ICAP Group or the Enlarged TP ICAP 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.

## Forward-looking Information

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 TP ICAP Group, the Liquidnet Group and following Completion of the Acquisition, the Enlarged 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. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and therefore are based on current beliefs and expectations about future events. These risks and uncertainties include, but are not limited to:

- the Enlarged Group's ability to fully realise the anticipated benefits of the Acquisition, including in particular the anticipated revenue growth and margin expansion, and related financial targets;
- the risk of failure of the Enlarged Group to retain key management or other personnel;
- the risk of management distraction or insufficient management capacity as a result of the Acquisition;
- TP ICAP's limited rights to terminate the Acquisition before Completion of the Acquisition;
- foreign exchange risk in connection with the Acquisition and the future business of the Enlarged Group;
- possible or assumed future results of the Enlarged Group's business, financial position and results of operations, including the extent to which the COVID-19 pandemic may adversely impact the Enlarged Group's business, financial position and results of operations;

- the Enlarged Group’s liquidity, plans, objectives, goals or strategies;
- the evolution of the market for trading in financial products in the UK, the U.S. and elsewhere, including changes in industry trends and the competitive environment, which may adversely impact the Enlarged Group’s addressable markets and growth opportunities;
- the assumptions underlying such forward-looking statements;
- adverse changes in the Enlarged Group’s regulatory and legal risks as a result of regulatory initiatives, changes in tax laws, or legal or regulatory actions against the Enlarged Group; and
- market volatility or disruptions arising from events that are outside the Enlarged Group’s control.

Such forward-looking statements are necessarily based on a number of estimates and assumptions that, although considered reasonable by the Company at the time they are made, 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 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 Regulation Rules or the Disclosure Guidance 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 TP ICAP Group and the Enlarged Group in paragraph 21 of Part XVIII: “*Additional Information*” of this document.

## 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 Bank for International Settlements, Bank of England, Big XYT, Burton-Taylor International Consulting, CBOE Europe, Charles Schwab, Clarus Financial Technology, CME Group, The DESK, E Trade, Eurex Exchange, Financial Conduct Authority, Interactive Brokers, Intercontinental Exchange (ICE), Liquidnet, London Foreign Exchange Joint Standing Committee, LCH Group, ForexClear, Greenwich Associates, RBC Capital Markets, Rosenblatt Securities, Securities Industry and Financial Markets Association, TD Ameritrade Interactive Brokers, Trax and the U.S. Federal Reserve.

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 the Company and the Liquidnet Group operate and the Company and the Liquidnet Group’s positions within those markets have been made based on internal surveys, industry forecasts and market research, as well as the Company’s own experiences. Although these statements are believed by the Company 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.

## Available Information

If, at any time, the Company is neither subject to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the



Company will furnish, upon request, to any holder or beneficial holder of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares, or any prospective purchaser designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act. In such cases, the Company will also furnish to each such owner all notices of general Shareholders' meetings and other reports and communications that the Company generally makes available to Shareholders.

#### **No Internet Site is Part of this Document**

Without prejudice to the sections of the documents incorporated by reference into this document, which will be made available on the Company's website, information contained in or otherwise accessible through the website of the Company is not a part of this document, and prospective investors should not rely on it. With the exception of those elements of the specific documents incorporated by reference into this document as described in Part VI: "*Information Incorporated by Reference*" of this document, all references in this document to these internet sites are inactive textual references to these internet addresses and are for information only.

#### **Time Zones**

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

#### **Definitions**

Certain terms used in this document, including all capitalised terms and certain technical and other terms, are defined and explained in Part XXV: "*Definitions*" of this document.

## PART VI

### INFORMATION INCORPORATED BY REFERENCE

The following documents, which have been approved, filed with or notified to the FCA, and which are available for inspection in accordance with paragraph 26 of Part XXIV: “*Additional Information*” of this document, contain information about the TP ICAP Group which is relevant to this document:

- the Class 1 circular and notice of general meeting published by TP ICAP and posted to Shareholders on the date of this Prospectus (the **Circular**);
- 2019 Annual Report and Financial Statements (including the TP ICAP Group 2019 Financial Statements) (the **TP ICAP 2019 Annual Report**);
- 2018 Annual Report and Financial Statements (including the TP ICAP Group 2018 Financial Statements) (the **TP ICAP 2018 Annual Report**); and
- 2017 Annual Report and Financial Statements (including the TP ICAP Group 2017 Financial Statements) (the **TP ICAP 2017 Annual Report**).

The table below sets out the sections of these documents which are incorporated by reference in, and form part of, this document, and only the parts of the documents identified in the table below are incorporated by reference in, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

<u>Reference document</u>	<u>Information incorporated by reference in this Prospectus</u>	<u>Page number(s) in reference document</u>
Circular . . . . .	Part (3) (Principal terms and conditions of the Acquisition)	31–35
	Part (4) (Historical Financial Information Relating to Liquidnet)	36–102
<b>As at and for the year ended 31 December 2019</b>		
TP ICAP 2019 Annual Report . .	Independent Auditor’s Report to the members of TP ICAP plc	106–112
	Consolidated Income Statement	113
	Consolidated Statement of Comprehensive Income	114
	Consolidated Balance Sheet	115
	Consolidated Statement of Changes in Equity	116–117
	Consolidated Cash Flow Statement	118
	Notes to the Financial Statements	119–176
<b>As at and for the year ended 31 December 2018</b>		
TP ICAP 2018 Annual Report . .	Independent Auditor’s Report to the members of TP ICAP plc	113–119
	Consolidated Income Statement	120
	Consolidated Statement of Comprehensive Income	121
	Consolidated Balance Sheet	122
	Consolidated Statement of Changes in Equity	123
	Consolidated Cash Flow Statement	124
	Notes to the Financial Statements	125–175
<b>As at and for the year ended 31 December 2017</b>		
TP ICAP 2017 Annual Report . .	Independent Auditor’s Report to the members of TP ICAP plc	95–101
	Consolidated Income Statement	102
	Consolidated Statement of Comprehensive Income	103
	Consolidated Balance Sheet	104
	Consolidated Statement of Changes in Equity	105
	Consolidated Cash Flow Statement	106
	Notes to the Financial Statements	107–152

## PART VII

### INFORMATION ON THE ACQUISITION AND THE RIGHTS ISSUE

*Investors should read the whole of this Prospectus and the documents incorporated herein by reference and should not just rely on the information set out in this Part VII.*

#### 1. INTRODUCTION

On 9 October 2020, TP ICAP announced that it had reached agreement on the terms of the proposed acquisition of Liquidnet for a total consideration of between \$575 million and \$700 million. This comprises non-contingent cash consideration of \$525 million payable on Completion of the Acquisition and \$50 million deferred consideration in the form of the Loan Notes. TP ICAP will pay up to a further \$125 million depending on the revenue performance of Liquidnet's Equities business over the three year period commencing on 1 January 2021. The consideration implies an EV/EBITDA multiple of between 8.2x and 10.0x Liquidnet's LTM September 2020 Adjusted EBITDA<sup>2</sup> of \$70.2 million.

Liquidnet is a premier brand, technology-driven, international electronic trading network that connects nearly 1,000 buy-side clients globally to liquidity in the equities and fixed income markets. Liquidnet has acted as a trusted partner to its clients for 20 years and its platform is fully integrated into their end-to-end workflows.

Owing to its size, the Acquisition is a "Class 1" transaction for the purposes of the Listing Rules and therefore requires the approval of Shareholders: the Acquisition is conditional on, amongst other things, such approval. Accordingly, the TP ICAP General Meeting to seek TP ICAP's Shareholders' approval for the Acquisition will take place at 1.45 p.m. on 1 February 2021. Due to the COVID-19 pandemic, arrangements have also been made for TP ICAP's Shareholders to attend the meeting electronically.

Under the terms of the Rights Issue, the Company is offering 225,334,552 New Ordinary Shares by way of a rights issue to Qualifying Shareholders at 140.0 pence per New Ordinary Share. Section 12 of this Part VII and paragraph 3 of Part X: "*Terms and Conditions of the Rights Issue*" of this document set out the actions to be taken by Qualifying Shareholders who wish to take up their entitlements under the Rights Issue.

Further information on the Rights Issue (including the full terms and conditions of the Rights Issue) is set out in the remainder of this document. You should read the whole of this document, any accompanying document and any documents incorporated by reference prior to making any investment decision. Your attention is drawn to Part II: "*Risk Factors*" of this document for a discussion of certain factors which should be taken into account when considering the matters referred to in this document and deciding whether or not to purchase the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.

A list of defined technical terms used in this Part VII is included in Part XXV: "*Definitions*" of this document.

#### 1.1 Background to the Acquisition and the Rights Issue

TP ICAP's goal is to expand its proposition as a leading global provider of infrastructure for wholesale financial markets. TP ICAP seeks to take advantage of market evolution and drive long-term growth and shareholder value by focusing on its stated strategy consisting of three key pillars:

- **Electronification:** TP ICAP seeks to enhance its medium-term profitability potential by increasing the amount of client activity and services that are delivered electronically. Electronification plans include pre- to post-trade transaction client services, as well as delivery of data and analytics, and internal processes;
- **Aggregation:** TP ICAP operates a number of liquidity pools across products, asset classes and brands. TP ICAP intends to maintain its leading global position as the largest inter-dealer broker by revenue by using technology to improve the efficiency of clients' access to these separate product liquidity pools, including via harmonisation of the appearance of screens between products and brands, better application programming interface access, and integrated extraction and delivery of related data and analytics; and
- **Diversification:** TP ICAP's Global Broking division currently contributes a majority of Group revenue and earnings. TP ICAP's diversification initiatives seek to increase the contribution to Group revenue and earnings from its faster-growth business segments, including Institutional Services, Energy &

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<sup>2</sup> This reflects an update from the previously announced EV/EBITDA multiple as a result of (i) the conversion of Liquidnet's financial results to the IFRS accounting standard and (ii) the update of Liquidnet's Adjusted EBITDA to LTM September 2020 from LTM June 2020. For additional Liquidnet Group financial information, including its Adjusted EBITDA, see Part XVII: "*Selected Financial Information of the Liquidnet Group*."

Commodities, and Data & Analytics. These businesses provide diversification in terms of customer base and revenue model.

Liquidnet has acted as a trusted brand and partner to its buy-side clients for more than 20 years, and is fully integrated into their end-to-end workflows. Liquidnet comprises three divisions: Equities, Fixed Income and Investment Analytics.

- **Equities.** Equities is Liquidnet's largest and most established business, servicing nearly 1,000 equity buy-side clients across 45 markets and focusing on low-touch large size dark trade execution, including buy-side to buy-side block trading and algorithmic trading. Liquidnet offers its customers a range of intelligent execution options, workflow solutions and liquidity sourcing techniques. Liquidnet's platform can be accessed via desktops, most OMS and EMS, and via Liquidnet's Global Trading Desks. Equities clients provided approximately \$62 billion of global average daily liquidity over the first nine months of 2020;
- **Fixed Income.** Connecting the liquidity of more than 500 fixed income buy-side clients globally, Liquidnet's Fixed Income division offers intelligent execution solutions for U.S. and European corporate bonds, and emerging market bonds, with a focus on facilitating large client-to-client (C2C) trades via protocols designed to minimise information leakage. The Liquidnet platform offers connectivity via major OMS and EMS. Over the first nine months of 2020, Liquidnet's Fixed Income clients provided approximately \$17 billion of average daily liquidity; and
- **Investment Analytics.** Liquidnet's Investment Analytics division allows traders and investors to analyse, filter and organise data through artificial intelligence, machine learning and natural language processing. Liquidnet's data-driven approach to market intelligence is designed to help traders and portfolio managers more easily distil relevant information and streamline the investment decision-making process.

The Acquisition will be financed through a combination of the proceeds of the Rights Issue, draw down of existing debt facilities and the Loan Notes.

## 1.2 Reasons for the Acquisition

The Directors believe that the strategic rationale for the Acquisition is compelling on the basis that Liquidnet represents a transformational opportunity for TP ICAP to accelerate delivery of the three pillars of its strategy—electronification, aggregation and diversification and to positively transform the Enlarged Group's earnings profile and growth trajectory. The Enlarged Group's earnings mix is expected to progressively reflect the contribution from higher growth and higher margin businesses, including electronic D2C Credit and Rates trading and Data & Analytics. As a result, the Acquisition is expected to strengthen TP ICAP's market position, longer-term growth prospects and profitability.

The Directors believe the strategic rationale for the Acquisition of Liquidnet is well-supported by a number of attributes and opportunities:

- **Global integrated buy-side customer base and connectivity:** Liquidnet has been a trusted brand and partner to buy-side clients for two decades, building up comprehensive workflow connectivity to a network of nearly 1,000 buy-side institutions. Liquidnet has already proven its ability to leverage its network and relationships to enter new market segments. Since 2015, when Liquidnet launched its fixed income offering, it has built a network of more than 500 fixed income buy-side clients globally. TP ICAP sees clear potential to build further by complementing Liquidnet's strengths and its unconflicted agency-only business model with TP ICAP's product and market expertise, dealer relationships and connectivity;
- **Diversification of asset class exposure:** Liquidnet's low-touch buy-side-focused cash Equities model is complementary to TP ICAP's existing high-touch inter-dealer and derivatives oriented Equities activity. The Enlarged Group will continue to invest in strengthening and developing Liquidnet's offering, including its growing Equities algorithms business; and
- **Addressable growth opportunities arising from the combined strengths of Liquidnet and TP ICAP:**
  - **Dealer-to-client (D2C) Credit trading.** The market structure for trading Credit products has evolved significantly in recent years, in response to changes in regulation and other market trends. In particular, D2C electronic Credit trading has been growing rapidly over the past several years. Liquidnet has already built an impressive global network of more than 500 buy-side institutions, with execution protocols focused mainly on large-size client-to-client (C2C) trading of corporate bonds. TP ICAP expects to use its Credit market expertise, its established relationships with the global dealer community, and Liquidnet's existing capabilities, to expand the Liquidnet Credit platform to include a range of D2C tools and protocols. D2C electronic trading constitutes a growing market segment,

currently served by only a small number of platforms having a client network comparable to that of Liquidnet, and where the principal barrier to entry is not liquidity, but connectivity to buy-side firms (particularly via OMS and EMS) and dealers. The Enlarged Group expects to present an attractive offering to market participants;

- D2C Rates trading. Driven by regulation, interest rate swaps have grown as a proportion of overall interest rate derivatives trading. In addition, market structure trends related to best execution and trade process efficiency have propelled a robust trend of trade electronification within the overall Rates segment (i.e. including both interest rate derivatives and government bonds). Electronic volumes are growing particularly rapidly in the D2C segment of the market, where the principal barrier to entry is buy-side network and dealer connectivity, rather than incumbent centralised liquidity pools, and there are currently few electronic platform operators with substantial buy-side client networks serving the marketplace. With its existing dealer connectivity and its close relationships with major global banks, combined with the connectivity potential of the Liquidnet client network, TP ICAP believes that it will be able to offer a compelling new challenger in the growing D2C electronic Rates trading arena; and
- Data & Analytics product and customer opportunities. TP ICAP already offers market participants one of the largest and richest OTC datasets available globally. Liquidnet's Investment Analytics team and AI and machine-learning tools will complement and enhance TP ICAP's product development and service capabilities. TP ICAP expects to leverage the data assets, product and analytical expertise, client relationships and distribution capabilities of both organisations to drive non-transaction-related earnings. TP ICAP's global Data & Analytics sales team expects to present useful tools and products (such as the recently launched Bond Evaluated Pricing service) to the Liquidnet client base, accelerating the Enlarged Group's penetration of the buy-side market for data and analytics.

### **1.3 Rationale for the Rights Issue**

As described above, the Directors believe the strategic rationale for the Acquisition is compelling. The Directors further believe it is important to maintain a strong balance sheet and cashflow to provide security and underpin the TP ICAP Group's strategy. For these reasons, the Acquisition will be largely financed through the Rights Issue.

## **2. USE OF PROCEEDS**

The Company intends to use the net proceeds of the Rights Issue to partially fund part of the initial consideration of \$525 million (with the remainder to be funded through TP ICAP's existing debt facilities), which is due to be paid on Completion of the Acquisition. Completion of the Acquisition is expected to occur in the first quarter of 2021.

## **3. FINANCIAL IMPACT OF THE ACQUISITION AND THE RIGHTS ISSUE**

On a pro forma basis and assuming that the Acquisition and the Rights Issue had taken place on 30 September 2020, the Enlarged Group would have had net assets of approximately £2.08 billion as more fully described in Part XXIII: *"Unaudited Pro Forma Financial Information of the Enlarged Group."*

Part XXIII: *"Unaudited Pro Forma Financial Information of the Enlarged Group"* also contains an unaudited pro forma income statement, prepared to illustrate the impact of the Rights Issue and the Acquisition on the income statement of the TP ICAP Group for the year ended 31 December 2019 and for the nine months ended 30 September 2020, as if they had taken place on 1 January 2019 and on 1 January 2020, respectively. The Directors believe that the Acquisition would have enhanced: (x) TP ICAP's net assets as at 30 September 2020, if the Acquisition had completed on that date; and (y) TP ICAP's earnings for the year ended 31 December 2019 and the nine months ended 30 September 2020, if the Acquisition had completed on 1 January 2019, and on 1 January 2020, respectively. This statement should not be interpreted to mean that, following Completion of the Acquisition, TP ICAP's earnings will match or exceed its historical published earnings or that TP ICAP's net assets will reflect the position projected at the date of this Prospectus.

As a result of the Rights Issue, the TP ICAP Group anticipates a 40.0 per cent. increase in the number of Ordinary Shares.

#### 4. PRINCIPAL TERMS OF THE RIGHTS ISSUE AND UNDERWRITING COMMITMENTS

The Company is proposing to raise approximately £315 million by way of the Rights Issue.

Subject to the fulfilment of, among other things, the conditions set out below, the Company will offer 225,334,552 New Ordinary Shares to Qualifying Shareholders at a Rights Issue Price of 140.0 pence per New Ordinary Share, payable in full on acceptance. The Rights Issue will be offered on the basis of:

##### **2 New Ordinary Shares for every 5 Existing Ordinary Shares**

held by Qualifying Shareholders on the Record Date, and so in proportion to any other number of Existing Ordinary Shares then held and otherwise on the terms and conditions set out in Part X: “*Terms and Conditions of the Rights Issue*” of this document.

The Rights Issue is being fully underwritten by the Underwriters, subject to certain customary conditions, on the basis set out in the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in Part XXIV: “*Additional Information*” of this document. The Rights Issue Price of 140.0 pence per New Ordinary Share, which is payable in full on acceptance by no later than 11.00 a.m. on 16 February 2021, represents a 43.2 per cent. discount to the closing middle-market price of the Company of 246.6 pence per Existing Ordinary Share on 6 January 2021, the last trading day prior to the announcement of the Rights Issue. Additionally, it represents a discount of approximately 35.2 per cent. to the theoretical ex-rights price of 216.1 pence per New Ordinary Share, calculated by reference to the closing middle-market price on the same basis. If a Qualifying Shareholder does not take up any of his or her entitlement to New Ordinary Shares, his or her proportionate shareholding will be diluted by 28.6 per cent. However, if a Qualifying Shareholder takes up his or her New Ordinary Shares in full, he or she will, after the Rights Issue has been completed, and subject to the rounding down of any fractions, as nearly as practicable have the same proportionate voting rights and distribution rights as he or she had on the Record Date.

If a Qualifying Shareholder does not subscribe for the New Ordinary Shares to which he or she is entitled, such Shareholder can instead sell his or her rights to those New Ordinary Shares and receive the net proceeds in cash. This is referred to as dealing in the rights “nil paid” and, subject to the fulfilment of certain conditions, dealings on the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 2 February 2021.

Qualifying Non-CREST Shareholders with registered addresses in the United States, Canada or in any of the other Excluded Territories will not be sent Provisional Allotment Letters and Qualifying CREST Shareholders in such territories will not have their CREST stock accounts credited with Nil Paid Rights, except where the Company and the Sole Global Co-ordinator (on behalf of the Underwriters) is satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Fractions of New Ordinary Shares will not be allotted to any Qualifying Non-CREST Shareholders or Qualifying CREST Shareholders, but the Sole Global Co-ordinator (on behalf of the Underwriters) will use its reasonable endeavours to place the aggregated Nil Paid Rights in respect of such New Ordinary Shares in the market for the benefit of the Company.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive in full all dividends and other distributions declared, made or paid by reference to a record date after the date of their issue, save in respect of any dividend or distribution with a record date falling before the date of the issue of the New Ordinary Shares.

The Rights Issue is conditional upon, among other things:

- the passing of the Resolution at the General Meeting;
- Admission of the New Ordinary Shares (nil paid) becoming effective by not later than 8.00 a.m. on 2 February 2021 (or such later time and/or date as the Company and the Sole Global Co-ordinator may agree, being not later than 9 February 2021);
- the delivery of certain documents to the Underwriters by the times and dates specified in the Underwriting Agreement;
- TP ICAP having complied with its obligations under the Underwriting Agreement and under the terms of the Rights Issue, save to the extent that, in the opinion of the Sole Global Co-ordinator acting in good faith, would not be material in the context of the Rights Issue, the underwriting of the New Ordinary Shares or Admission;

- the warranties on the part of TP ICAP under the Underwriting Agreement being true, accurate and not misleading on the date of the Underwriting Agreement, the date of this document and immediately before Admission;
- the Acquisition Agreement remaining in full force and effect and not having been terminated, having lapsed or ceased to be capable of completion in accordance with its terms, prior to Admission;
- no event requiring a supplement to this document having arisen between the time of publication of this document and Admission and no such supplementary prospectus being published by or on behalf of the Company before Admission, which the Sole Global Co-ordinator (acting in good faith) considers to be material in the context of the Rights Issue; and
- in the opinion of the Sole Global Co-ordinator (acting in good faith), no material adverse change having occurred in respect of the TP ICAP Group at any time prior to Admission (whether or not foreseeable at the date of the Underwriting Agreement).

Although the Rights Issue will not proceed if the Resolution is not passed, the Rights Issue is otherwise not conditional upon Completion of the Acquisition. It is therefore possible that the proceeds of the Rights Issue will be received by TP ICAP but not used for the purpose of the Acquisition if the Acquisition does not complete. In such circumstances, the TP ICAP Group may determine that it is in the best interest of Shareholders to return the proceeds of the Rights Issue to Shareholders in a timely and efficient manner or to retain some or all of the proceeds for general corporate purposes.

The results of the Rights Issue, including the aggregate amount raised, is expected to be announced by the Company to a Regulatory Information Service by 8.00 a.m. on 17 February 2021.

Applications have been made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that Admission of the New Ordinary Shares, nil paid, will become effective and dealings (for normal settlement) in the New Ordinary Shares will commence, nil paid, at 8.00 a.m. on 2 February 2021.

The Existing Ordinary Shares are already admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and to CREST. It is expected that all of the New Ordinary Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. The New Ordinary Shares will trade under ISIN GB00B1H0DZ51. The ISIN number for the Nil Paid Rights is GB00BMCFLY79 and the ISIN for the Fully Paid Rights is GB00BMCFLZ86.

Some questions and answers, together with further terms and conditions of the Rights Issue, are set out in Part X: "*Terms and Conditions of the Rights Issue*" and Part XI: "*Questions and Answers about the Rights Issue*" of this document.

## 5. PRINCIPAL TERMS OF THE ACQUISITION

On 9 October 2020, TP ICAP, Liquidnet, Merger Sub, a newly incorporated subsidiary of TP ICAP, and Shareholder Representative Services LLC (acting in its capacity as the security holders' representative) entered into the Acquisition Agreement pursuant to which Merger Sub will merge with and into Liquidnet. On Completion of the Acquisition, Liquidnet will be the surviving corporation and become a wholly-owned indirect subsidiary of New TP ICAP and the separate corporate existence of Merger Sub will terminate. The Acquisition Agreement is governed by the laws of Delaware.

As Liquidnet has over 800 stockholders, the Acquisition is structured as a merger so as to ensure the acquisition of the entire issued share capital of Liquidnet. As consideration for the Acquisition, TP ICAP will pay initial consideration (subject to customary adjustments) of \$525 million in cash and a further \$50 million of non-contingent deferred consideration comprising the Loan Notes. TP ICAP will pay up to a further \$125 million depending on the revenue performance of Liquidnet's Equities business over a three year period commencing on 1 January 2021. The contingent consideration will become payable shortly following the end of this three year period.

Under the terms of the Acquisition Agreement, any Liquidnet stockholder who would be entitled to consideration of up to a certain amount for their shares will receive that consideration in cash on Completion of the Acquisition. However, any Liquidnet stockholder who would be entitled to consideration of or above that amount will receive a combination of cash and Loan Notes on Completion of the Acquisition.

The Acquisition is conditional, inter alia, upon the approval of Shareholders at the General Meeting, as well as other customary conditions and regulatory approvals.

Unless as a result of a breach by Liquidnet of certain of its obligations or representations given under the Acquisition Agreement, if the Acquisition Agreement is terminated in circumstances where: (i) the General Meeting is not convened and held by the requisite time and date; (ii) the Board qualifies, changes or withdraws its recommendation in either the Circular for TP ICAP shareholders to vote in favour of the Resolution or in the Scheme Circular for Scheme Shareholder to vote in favour of the Scheme Resolutions; (iii) the Resolution is not passed with the requisite majority at the General Meeting; (iv) the Scheme Resolutions are not passed with the requisite majorities at the Scheme Meetings; (v) the Scheme does not become effective by the requisite time and date or New TP ICAP Admission does not occur by the requisite time and date; or (vi) Admission does not occur by the requisite time and date, TP ICAP must pay a termination fee to Liquidnet of approximately \$17 million (approximately £13 million), being an amount equal to 1 per cent. of the market capitalisation of TP ICAP as calculated, in accordance with the Listing Rules, at 5.00 p.m. on 8 October 2020, the business day prior to the date of the Acquisition Agreement.

TP ICAP has obtained representations and warranty insurance up to a maximum coverage of \$57.5 million in respect of the representations and warranties given by Liquidnet in the Acquisition Agreement, subject to a customary retention of 0.75 per cent. of the aggregate consideration and certain specified limitations agreed with the relevant insurers. Save in the case of fraud, TP ICAP's sole recourse in respect of any representation and warranty claim against Liquidnet shall be under the insurance policy. The Acquisition Agreement also contains other customary limitations and exclusions on liability.

TP ICAP and Liquidnet, amongst others, also entered into a letter agreement to provide for certain arrangements relating to an employment claim brought against Liquidnet by a former employee alleging discrimination based on sex, sexual exploitation and retaliation (the **Identified Action**). Following Completion of the Acquisition, Liquidnet and certain of the Liquidnet stockholders will continue to control the defence of the Identified Action, but have agreed to consult with TP ICAP in respect of that defence, and are not permitted to settle the Identified Action without TP ICAP's prior written consent, other than in limited circumstances that would not result in any liability to the Enlarged Group. The Liquidnet stockholders' aggregate liability in respect of any claims, losses and damages (including reasonable attorneys' and consultants' fees and expenses) to the extent arising out of or resulting from the Identified Action is subject to a financial cap, and any amounts payable shall be paid out of an escrow account to be set up for this purpose and would result in an adjustment to the consideration payable to Liquidnet stockholders. However, the maximum potential financial impact of the Identified Action, and the amount of any adjustment that may be made to the consideration payable to the Liquidnet stockholders, is not material in the context of the Acquisition.

More detailed summaries of the key terms of the Acquisition Agreement and of the agreements relating to the Acquisition to be entered into on Completion of the Acquisition are set out in Part VIII: "*Summary of the Principal Terms of the Acquisition*" of this document.

## **6. INFORMATION RELATING TO TP ICAP**

The TP ICAP Group operates at the centre of global wholesale OTC and exchange-traded markets, providing both data and execution services. The TP ICAP Group provides broking services, including facilitating price discovery and execution, to counterparties operating in the world's major wholesale OTC and exchange-traded financial and commodity markets. The TP ICAP Group is active across all major capital, energy and commodities asset classes, facilitating the flow of these asset classes around the world and contributing to economic growth and financial stability. The TP ICAP Group provides an important service to its clients by enabling them to trade a wide range of financial, energy and commodities products in numerous markets and regions. These trades are often bespoke in nature, complex and of a high nominal value, with the TP ICAP Group's brokers having access to deep pools of liquidity. The TP ICAP Group's broking activities require it to act as an intermediary between buyers and sellers of complex financial products, enabling them to trade efficiently and effectively. The TP ICAP Group's business model is focused on providing an intermediation service to its clients, which can be provided without actively taking market risk.

By seeking to act as a trusted partner to its clients, the TP ICAP Group enables them to transact their business with confidence.

The TP ICAP Group also provides independent data to participants in the financial, energy and commodities markets, including live and historical pricing content, as well as advanced valuation and risk analytics.



The TP ICAP Group's business is organised into three geographic reporting segments, Europe, EMEA, the Americas and Asia Pacific. The TP ICAP Group operates through five divisions (four of which are client-facing):

- *Global Broking*: Global Broking accounted for 67.9 per cent. of the TP ICAP Group's revenue and 79.2 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The TP ICAP Group's Global Broking division provides brokerage and execution services to a number of markets and asset classes, including: Rates (derivative products which facilitate the management of interest rate risk), FX and Money Markets (treasury products, foreign exchange options, and cash and deposits), Emerging Markets (local market products, including emerging market bonds), Equities (equity derivative products and depositary receipts) and Credit Products (corporate bonds);
- *Energy & Commodities*: Energy & Commodities accounted for 20.8 per cent. of the TP ICAP Group's revenue and 16.5 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Energy & Commodities division operates in the oil, gas, power, renewables, precious and non-precious metals, soft commodities and coal markets for a range of clients including banks, corporates, physical commodity trading companies, asset managers and hedge funds;
- *Institutional Services*: Institutional Services accounted for 4.1 per cent. of the TP ICAP Group's revenue and 1.1 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Institutional Services division provides agency execution services in a range of financial products to buy-side institutions such as hedge funds, asset managers and corporates;
- *Data & Analytics*: Data & Analytics accounted for 7.4 per cent. of the TP ICAP Group's revenue and 21.1 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Data & Analytics division is a leading provider of scarce OTC data and neutral pricing information, with more than 1,000 clients and a global sales presence. Data & Analytics clients include traders, middle and back office personnel, across banks and buy-side institutions. Use cases include price and liquidity discovery, portfolio valuation, and fulfilment of regulatory obligations. Recurring subscription-based revenue comprised more than approximately 94 per cent. of total Data & Analytics revenues in 2019; and
- *Corporate Centre*: The TP ICAP Group's Corporate Centre division provides support staff and infrastructure to the TP ICAP Group's client-facing divisions, including technology, compliance, risk, finance, HR, legal and other essential corporate functions. The Corporate Centre division does not generate revenue but is used to eliminate inter-divisional revenue.

## 7. INFORMATION RELATING TO LIQUIDNET

Liquidnet is a leading global electronic trading network where nearly 1,000 buy-side clients globally come to execute their large trades with maximum anonymity and minimum market impact in the equities and fixed income markets. Liquidnet has acted as a trusted partner to its clients for 20 years and its platform is fully integrated into their end-to-end workflows.

Liquidnet is composed of three business divisions, Equities, Fixed Income and Investment Analytics:

- **Equities**: Equities is Liquidnet's largest and most established business, servicing nearly 1,000 equity buy-side clients across 45 markets and focusing on low-touch large size dark trade execution including buy-side to buy-side block trading and algorithmic trading. Liquidnet offers its customers a range of intelligent execution options, workflow solutions and liquidity sourcing techniques. Liquidnet's platform can be accessed via desktops, most OMS and EMS, and via Liquidnet's Global Trading Desks. Equities clients provided approximately \$62 billion of global average daily liquidity over the first nine months of 2020;
- **Fixed Income (Credit)**: Connecting the liquidity of more than 500 fixed income buy-side clients globally, Liquidnet's Fixed Income division offers intelligent execution solutions for U.S. and European corporate bonds, and emerging market bonds, with a focus on facilitating large client-to-client (C2C) trades via protocols designed to minimise information leakage. The Liquidnet platform offers connectivity via major OMS and EMS. Over the first nine months of 2020, Liquidnet's Fixed Income clients provided approximately \$17 billion of average daily liquidity; and
- **Investment Analytics**: Liquidnet's Investment Analytics division allows traders and investors to analyse, filter and organise data through artificial intelligence, machine learning and natural language processing. Liquidnet's data-driven approach to market intelligence is designed to help traders and portfolio managers more easily distil relevant information and streamline the investment decision-making process.

Founded in 1999, Liquidnet's nearly 450 employees are largely based in its New York headquarters. In addition, the Company has operations in London, Boston, San Francisco, Toronto, Dublin, Hong Kong, Singapore, Tokyo and Sydney.

Liquidnet's global institutional investment network connects institutions to liquidity in equities and fixed income through its global electronic trading ecosystems. Its equities and fixed income core crossing functionality allows clients to trade large blocks of stock and bonds without intermediaries and with minimum information leakage. Liquidnet's network is based on last-mile connectivity via its customers' order management systems. Liquidnet also offers a premium suite of algorithms (**Algos**) specifically designed for institutions and their unique workflows. Liquidnet's global suite of liquidity-seeking, benchmark, and portfolio trading Algos for equities, opportunistically seek liquidity in Liquidnet's pool and in multiple other dark and lit venues, to help clients achieve their execution objectives. Between 2015 and 2019, the amount of global volume traded via Liquidnet's equities algorithmic platform grew by approximately 237 per cent. Liquidnet's equities trading solutions provided approximately \$62 billion of global average daily liquidity in the first three quarters of 2020, whereas its fixed income members contributed approximately \$17 billion in global average daily liquidity in the first nine months of 2020. Liquidnet's platform also allows members to use block matching technology to negotiate a price / quantity or execute at the midpoint of the bid-ask price (**Negotiated Blocks**), with an average global execution size for Negotiated Blocks in equities of \$1.4 million for January and February 2020.

## 8. CURRENT TRADING AND PROSPECTS

### TP ICAP

TP ICAP provided a trading update for the first nine months of 2020 on 9 November 2020. As stated at that time, TP ICAP's revenue for the first nine months of 2020 was 1 per cent. lower on a constant currency basis and 2 per cent. lower on a reported basis, compared to the first nine months of 2019. While trading volumes continued to be subdued during much of the fourth quarter of 2020, revenue for the full year 2020 is expected to be 1 per cent. lower than in 2019. This demonstrates the resilience of the TP ICAP franchise and the benefits of its diversification strategy, as revenue growth achieved in Data & Analytics, Institutional Services and Energy & Commodities offset much of the decline in Global Broking revenue following its strong performance in the first quarter of 2020.

### Liquidnet

For the financial year ended 31 December 2020, Liquidnet has proved resilient in the midst of the COVID-19 pandemic and is expected to record strong revenue performance for the year ended 31 December 2020, as compared with the year ended 31 December 2019.

## 9. FINANCIAL TARGETS

The Acquisition is expected to have a positive impact on the TP ICAP Group's earnings profile and growth trajectory, with the Enlarged Group's business mix reflecting the contribution from higher growth and higher margin businesses, including growth as a result of operating leverage improvement in electronic D2C Credit and Rates from the Liquidnet business, as well as further revenue growth from the use of OTC datasets by Data & Analytics and from the growing scale of the Institutional Services business. The anticipated shift in earnings drivers from these businesses is expected to contribute to enhanced revenue growth and margin expansion potential for the Enlarged Group.

In the medium term, the Enlarged Group will target a revenue compound annual growth rate (**CAGR**) of 4 per cent. The Enlarged Group will also aim to achieve an underlying operating profit margin of approximately 18 per cent. by 2023 and approximately 23 per cent. in the medium term. The Liquidnet Group is expected to contribute approximately 3 per cent. of the improvement to the Enlarged Group's underlying operating profit margin in the medium term and a greater proportion of the Enlarged Group's overall business is expected to be comprised of higher growth businesses over the medium term as a result of the Acquisition. These quantified financial benefits are not expected to be recurring, are contingent on Completion of the Acquisition and could not be achieved by the TP ICAP Group independently. These quantified estimated financial benefits reflect both the expected benefits of the Acquisition and related costs.

## 10. DIVIDEND POLICY

The Directors believe the Acquisition represents a transformational step in TP ICAP's goal of expanding its proposition as a leading global provider of infrastructure for wholesale financial markets, capable of delivering

strong growth over time as it seeks to take advantage of market evolution and drive long-term growth and shareholder value. In recommending the Acquisition for approval by TP ICAP shareholders, the Board has taken into account its view of the medium-term sustainable cash flow generation and capital allocation priorities of the Enlarged Group, including the importance of the dividend to TP ICAP shareholders.

As previously announced, if the Acquisition is approved by TP ICAP shareholders, the Board intends to recommend a one-off 50 per cent. reduction of the minimum £94 million dividend in respect of the financial year ending 31 December 2020. This will help fund the Acquisition and minimise dilution of earnings on a per share basis of the Enlarged Group as a result of the Rights Issue.

For the financial year ending 31 December 2021 onwards, the Board intends to introduce a new dividend policy that will target a dividend cover of approximately 2x underlying earnings (defined as profit for the year adjusted for acquisition, disposal and integration costs, exceptional items and taxation). The new dividend policy reflects a balanced approach to capital allocation and is expected to allow the Group to invest to drive growth, while allowing dividends to increase in line with underlying earnings.

## **11. EMPLOYEE SHARE PLANS**

The number of Ordinary Shares subject to awards or options outstanding under the Share Plans and the exercise price (if any) may be adjusted, in accordance with the rules of the relevant Share Plan, to take account of the issue of the New Ordinary Shares pursuant to the Rights Issue. Holders of awards or options under the Share Plans will be contacted separately and in due course with further information on how their options and awards may be affected by the Rights Issue.

## **12. OVERSEAS SHAREHOLDERS**

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document, a Provisional Allotment Letter and any other document in relation to the Rights Issue to such persons, is drawn to the information which appears in paragraphs 7 and 8 of Part X: “*Terms and Conditions of the Rights Issue*” of this document. In particular, subject to certain very limited exceptions, the Rights Issue is not being made to Shareholders in the United States or into any other Excluded Territory.

Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Qualifying Shareholder to take up his or her rights if the Company and the Sole Global Co-ordinator (on behalf of the Underwriters) in its absolute discretion are satisfied that the transaction in question will not violate applicable laws.

The Company has made arrangements under which the Underwriters will try to find subscribers for the New Ordinary Shares provisionally allotted to such Shareholders (and other Shareholders who have not taken up their rights) by 5.00 p.m. on the second dealing day after the last date for acceptance of the Rights Issue. If the Underwriters find subscribers and are able to achieve a premium over the Rights Issue Price and the related expenses of procuring those subscribers (including any applicable brokerage and commissions and amounts in respect of VAT), such Shareholders will be paid in pounds sterling by cheque, for the amount of that aggregate premium above the Rights Issue Price less related expenses (including any applicable brokerage and commissions and amounts in respect of irrecoverable VAT), so long as the amount in question is at least £5.00. If any person in the United States or any other Excluded Territory receives a Provisional Allotment Letter, that person should not seek to, and will not be able to, take up his or her rights thereunder, except as described in paragraph 7 of Part X: “*Terms and Conditions of the Rights Issue*” of this document. The provisions of paragraph 6 of Part X: “*Terms and Conditions of the Rights Issue*” of this document will apply to Overseas Shareholders who cannot or do not take New Ordinary Shares provisionally allotted to them.

Persons who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements to the Rights Issue.

### **13. TAXATION**

Information on UK taxation with regard to the Rights Issue is set out in paragraph 16 of Part XXIV: “*Additional Information*” of this document. This information is intended only as a general guide to the current tax position in the United Kingdom.

If you are in any doubt as to your own tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent professional adviser without delay.

### **14. GENERAL MEETING AND TP ICAP BOARD RECOMMENDATION**

The Acquisition and Rights Issue are conditional upon, among other things, TP ICAP shareholders passing the Resolution at the General Meeting which will be held at 1.45 p.m. on 1 February 2021. TP ICAP has today posted to Shareholders the Circular summarising the reasons for the Acquisition (which includes the Notice of General Meeting).

The Resolution proposes that the Acquisition 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 Acquisition.

The full text of the Resolution and other matters is set out in the Notice of General Meeting. The Resolution will be proposed as an ordinary resolution and will be taken on a show of hands. The Resolution must be approved by TP ICAP shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the General Meeting. The Acquisition and Rights Issue will not proceed unless the Resolution is passed.

The Directors believe the Acquisition and the Rights Issue to be in the best interests of the TP ICAP Group and the Shareholders as a whole, and, accordingly, unanimously recommend that TP ICAP shareholders vote in favour of the Resolution, and have committed to do so in respect of their own legal and beneficial holdings, which amount to 289,558 Ordinary Shares (representing 0.1 per cent. of the Company’s existing issued ordinary share capital as at the Latest Practicable Date). Further, the executive directors of the TP ICAP Group have agreed to take up their respective entitlements under the Rights Issue.

### **15. ACTIONS TO BE TAKEN IN RESPECT OF THE RIGHTS ISSUE**

If you are a Qualifying Non-CREST Shareholder other than a Shareholder with a registered address, or who is resident or located (as applicable), in one of the Excluded Territories or, subject to certain exceptions, the United States and Canada, you will be sent a Provisional Allotment Letter giving you details of your Nil Paid Rights. If you are a Qualifying CREST Shareholder, you will not be sent a Provisional Allotment Letter. Instead, you will receive a credit to your appropriate stock accounts in CREST in respect of Nil Paid Rights, which it is expected will take place as soon as practicable after 8.00 a.m. on 2 February 2021. Such crediting does not in itself constitute an offer of New Ordinary Shares.

If you sell or have sold or otherwise transferred all of your Ordinary Shares held (other than ex-rights) in certificated form before 2 February 2021, please forward this document and any Provisional Allotment Letter at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States, Canada and the Excluded Territories.

If you sell or have sold or otherwise transferred all or some of your Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, you should refer to the instructions regarding split applications in Part X: “*Terms and Conditions of the Rights Issue*” of this document and in the Provisional Allotment Letter.

The latest time and date for acceptance and payment in full in respect of the Rights Issue is expected to be 11.00 a.m. on 16 February 2021, unless otherwise announced by the Company. The procedure for acceptance and payment is set out in Part X: “*Terms and Conditions of the Rights Issue*” of this document and, if applicable, in the Provisional Allotment Letter.

For Qualifying Non-CREST Shareholders who take up their rights other than Shareholders with a registered address, or located or resident in, one of the Excluded Territories or, subject to certain exceptions, the United States and Canada, the New Ordinary Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be dispatched by no later than 2 March 2021 to the registered address of the person(s) entitled to them.

For Qualifying CREST Shareholders who take up their rights, the Registrar will instruct CREST to credit the stock accounts of the Qualifying CREST Shareholders with their entitlements to New Ordinary Shares. It is expected that this will take place as soon as practicable after 8.00 a.m. on 17 February 2021.

Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Rights Issue. If you are in any doubt as to the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA or, if you are outside the United Kingdom, by another appropriately authorised independent financial adviser.

## **16. RISK FACTORS**

Shareholders should consider fully and carefully the risk factors associated with the Enlarged Group and the Acquisition. We draw attention to the risk factors set out in Part II: “*Risk Factors*” of this document.

## **17. FURTHER INFORMATION**

Your attention is drawn to the risk factors in Part II: “*Risk Factors*” and the additional information set out in Part XXIV: “*Additional Information*” of this document. Investors should read the whole of this document and the information incorporated by reference and not rely solely on information summarised in this Part VII, including the summarised financial information.

## **PART VIII**

### **SUMMARY OF THE PRINCIPAL TERMS OF THE ACQUISITION**

The information regarding the principal terms of the Acquisition contained in Part 3 of the Circular is incorporated by reference into this Prospectus.

**PART IX**  
**INFORMATION CONCERNING THE NEW ORDINARY SHARES**

**1. Description of the type and class of New Ordinary Shares being offered**

The New Ordinary Shares to be issued by the Company will be ordinary shares with a nominal value of 25 pence each, with ISIN GB00B1H0DZ51, being the same ISIN as that of the Existing Ordinary Shares. Following Admission of the New Ordinary Shares, nil paid, which is expected to occur on 2 February 2021, the Company will have one class of Ordinary Shares, the rights of which are set out in the Articles.

When issued (fully paid), the New Ordinary Shares will be credited as fully paid and will be free from all liens, equities, charges, encumbrances and other interests.

**2. Legislation under which the New Ordinary Shares will be created**

The New Ordinary Shares will be created under the Companies Act.

**3. Listing**

The Existing Ordinary Shares are listed on the Official List and are admitted to trading on the main market for listed securities of the London Stock Exchange. Applications have been made to the FCA for the New Ordinary Shares to be listed on the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its main market for listed securities.

It is expected that Admission of the New Ordinary Shares, nil paid, will become effective, and that dealings for normal settlement in the New Ordinary Shares will commence, nil paid, at 8.00 a.m. on 2 February 2021.

**4. Form and currency of the New Ordinary Shares**

The New Ordinary Shares will, when issued, be in registered form and will be capable of being held in certificated and uncertificated form. The Registrars are Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom.

Title to the certificated New Ordinary Shares will be evidenced by entry in the register of members of the Company and title to uncertificated New Ordinary Shares will be evidenced by entry in the operator register maintained by Euroclear (which forms part of the register of members of the Company). No share certificates will be issued in respect of the New Ordinary Shares in uncertificated form. If any such shares are converted to be held in certificated form, share certificates will be issued in respect of those shares in accordance with applicable legislation. The New Ordinary Shares will be denominated in pounds sterling.

**5. Rights attached to the New Ordinary Shares**

Each New Ordinary Share will rank *pari passu* in all respects with each other and with each Existing Ordinary Share, and will have the same rights and restrictions as each other and as each Existing Ordinary Share, including with respect to dividends but save in respect of any dividend or distribution with a record date falling before the date of the issue of the New Ordinary Shares. There are no restrictions on the free transferability in relation to the New Ordinary Shares or Existing Ordinary Shares. Further details of the rights attaching to the Existing Ordinary Shares and the New Ordinary Shares are set out in paragraph 4.2 of Part XXIV: “*Terms and Conditions of the Rights Issue*” of this document.

**6. Resolutions, authorisations and approvals relating to the New Ordinary Shares**

The New Ordinary Shares will be allotted and issued pursuant to the authorities granted at the Annual General Meeting of the Company held on 13 May 2020, which were passed by the requisite majorities of Shareholders.

**7. Dilution**

Following the issue of the New Ordinary Shares to be allotted pursuant to the Rights Issue, Qualifying Shareholders who do not participate in the Rights Issue will suffer a total dilution of up to 28.6 per cent. of their interests in the Company.

**8. Taxation**

Please see paragraph 16 of Part XXIV: “*Additional Information*” of this document for information relating to UK taxation (including a discussion of UK stamp duty and SDRT which is relevant to holders of Ordinary Shares, irrespective of their tax residence).

## **PART X**

### **TERMS AND CONDITIONS OF THE RIGHTS ISSUE**

#### **1. SUMMARY OF THE RIGHTS ISSUE**

The Company is proposing to raise gross proceeds of approximately £315 million by way of a 2 for 5 Rights Issue at a price of 140.0 pence per New Ordinary Share.

The Rights Issue Price of 140.0 pence per New Ordinary Share represents a discount of approximately 43.2 per cent. to the Closing Price of an Existing Ordinary Share of 246.6 pence on 6 January 2021 (being the last Dealing Day prior to the announcement of the Rights Issue). Additionally, it represents a discount of approximately 35.2 per cent. to the theoretical ex-rights price of 216.1 pence per New Ordinary Share calculated by reference to that Closing Price.

The Company intends to use the net proceeds of the Rights Issue to partially fund part of the initial consideration of \$525 million (with the remainder to be funded through TP ICAP's existing debt facilities), which is due to be paid on Completion of the Acquisition. Completion of the Acquisition is expected to occur in the first quarter of 2021.

The Underwriters have agreed to underwrite fully and severally, the Rights Issue in accordance with the terms and subject to the conditions in the Underwriting Agreement. The Underwriters' obligations under the Underwriting Agreement are conditional (although, with certain exceptions, these conditions can be waived) upon, among other things:

- the passing of the Resolution at the General Meeting;
- Admission becoming effective by not later than 8.00 a.m. (London time) on 2 February 2021 (or such later time and/or date as the Company and the Sole Global Co-ordinator may agree, being not later than 9 February 2021);
- the delivery of certain documents to the Underwriters by the times and dates specified in the Underwriting Agreement;
- the Company having complied with its obligations under the Underwriting Agreement and under the terms of the Rights Issue, save to the extent that, in the sole opinion of the Sole Global Co-ordinator acting in good faith, such non-compliance would not be material in the context of the Rights Issue, the underwriting of the New Ordinary Shares or Admission;
- the warranties and undertakings on the part of the Company under the Underwriting Agreement being true, accurate and not misleading in any respect on and as of the date of the Underwriting Agreement, the date of this document and on Admission;
- the Acquisition Agreement remaining in full force and effect and not having been terminated, having lapsed in accordance with its terms and no condition to the Acquisition Agreement having become incapable of satisfaction, prior to Admission;
- no event requiring a supplementary prospectus having arisen between the time of publication of this document and Admission and no such supplement being published by the Company before Admission which the Sole Global Co-ordinator in its opinion (acting in good faith), consider to be material in the context of the Rights Issue; and
- in the opinion of the Sole Global Co-ordinator (acting in good faith), no material adverse change having occurred in respect of the TP ICAP Group prior to Admission (whether or not foreseeable at the date of the Underwriting Agreement).

The Underwriting Agreement is not subject to any rights of termination after Admission (including in respect of any statutory withdrawal rights). The Underwriters may arrange sub-underwriting for some, all or none of the New Ordinary Shares which they would otherwise be required to subscribe for.

#### **2. TERMS AND CONDITIONS OF THE RIGHTS ISSUE**

Subject to the terms and conditions set out in this document (and, in the case of Qualifying Non-CREST Shareholders, the Provisional Allotment Letter), the New Ordinary Shares will be offered by way of rights to Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with registered addresses in the Excluded Territories) on the following basis:

**2 New Ordinary Shares at 140.0 pence for every 5 Existing Ordinary Shares**



held and registered in their name at the close of business on the Record Date.

Qualifying Shareholders who do not, or who are not permitted to, take up any rights (for example because they are Qualifying Shareholders with a registered address in the Excluded Territories) will have their proportionate shareholdings in the Company diluted by approximately 28.6 per cent. following the Rights Issue. Those Qualifying Shareholders who are permitted to, and do, take up all of their rights to the New Ordinary Shares provisionally allotted to them will, subject to the rounding down of fractions, have the same proportionate voting and distribution rights as held by them at the Record Date.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings to calculate entitlements under the Rights Issue, as will holdings under different designations and in different accounts.

Fractions of New Ordinary Shares will not be provisionally allotted to Qualifying Non-CREST Shareholders or Qualifying CREST Shareholders and fractional entitlements will be rounded down to the nearest whole number of Ordinary Shares. Such fractions will be aggregated and the Sole Global Co-ordinator (on behalf of the Underwriters) will use its reasonable endeavours to procure placees for the Nil Paid Rights in respect of such New Ordinary Shares at a premium over the expenses of the placing (including any irrecoverable VAT) or such Nil Paid Rights will be otherwise acquired by the Underwriters as principals (or subunderwriters) pursuant to the Underwriting Agreement. The net proceeds of such sales (after deduction of expenses and any irrecoverable VAT) will be aggregated and an equivalent amount will accrue for the ultimate benefit of the Company. Qualifying Shareholders with fewer than 5 Existing Ordinary Shares at the close of business on the Record Date will not be entitled to subscribe for any New Ordinary Shares under the terms of the Rights Issue.

The attention of Qualifying Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or, in the case of Qualifying Non-CREST Shareholders, a Provisional Allotment Letter into a jurisdiction other than the United Kingdom is drawn to paragraphs 7 and 8 of this Part X. In particular, subject to the provisions of this Part X, although New Ordinary Shares will be provisionally allotted (nil paid) to all Shareholders in the register at the Record Date; including Overseas Shareholders, Qualifying Shareholders with registered addresses in the Excluded Territories will not be sent any Provisional Allotment Letters and will not have their CREST stock accounts credited with Nil Paid Rights.

The New Ordinary Shares will be allotted and issued pursuant to the authorities granted under the resolutions passed at the Annual General Meeting of the Company held on 13 May 2020, which were passed by the requisite majorities of Shareholders. The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the rights to receive all future dividends or other distributions made, paid or declared by reference to a record date after the date of their issue.

Applications have been made to the FCA for the New Ordinary Shares (nil and fully paid) to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange at 8.00 a.m. on 2 February 2021.

None of the New Ordinary Shares are being made available to the public other than pursuant to the Rights Issue.

The Existing Ordinary Shares are already admitted to CREST. The Existing Ordinary Shares are, and, when issued, the New Ordinary Shares will be, in registered form and capable of being held in certificated form or uncertificated form via CREST.

Applications will be made for the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions are satisfied before Euroclear will admit the New Ordinary Shares to CREST. It is expected that these conditions will be satisfied on Admission of the New Ordinary Shares. As soon as practicable after Admission of the New Ordinary Shares, the Company will confirm this to Euroclear.

Subject to any relevant conditions being satisfied, it is expected that:

- (a) Provisional Allotment Letters in respect of the Nil Paid Rights will be dispatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, such Qualifying Non-CREST Shareholders with registered addresses in any of the Excluded Territories) on 1 February 2021;

- (b) the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, such Qualifying CREST Shareholders with registered addresses in any of the Excluded Territories) with such Shareholders' entitlements to Nil Paid Rights, as soon as practicable from 8.00 a.m. on 2 February 2021;
- (c) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement in CREST by Euroclear on 2 February 2021, as soon as practicable after the Company has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied, which is expected to be by 8.00 a.m. on 2 February 2021;
- (d) the New Ordinary Shares will be credited to the appropriate stock accounts of the relevant Qualifying CREST Shareholders (or their renounees) who validly take up their rights as soon as practicable after 8.00 a.m. on 17 February 2021; and
- (e) share certificates for the New Ordinary Shares will be dispatched to Qualifying Non-CREST Shareholders or their renounees who validly take up their rights by no later than 2 March 2021 (at their own risk).

Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending a Many-To-Many instruction (**MTM Instruction**) to Euroclear will be deemed to have given the representations and warranties set out in paragraph 5.2 of this Part X, unless the requirement is waived by the Company.

The Underwriters have agreed to fully underwrite the Rights Issue in accordance with the terms and subject to the conditions in the Underwriting Agreement. The Underwriting Agreement is conditional upon certain conditions being satisfied and certain undertakings not being breached, and it may be terminated by the Sole Global Co-ordinator (on behalf of the Underwriters) prior to Admission upon the occurrence of certain specified events (in which case the Rights Issue will not proceed). The Underwriting Agreement is not subject to any rights of termination after Admission (including in respect of any statutory withdrawal rights). The Underwriters may arrange sub-underwriting for some, all or none of the New Ordinary Shares for which the Underwriters might otherwise be required to subscribe pursuant to the terms of the Underwriting Agreement. A summary of certain terms and conditions of the Underwriting Agreement is contained in paragraph 13 of Part XXIV: "*Additional Information*" of this document.

The Underwriters and any of their respective affiliates may engage in certain trading activity in connection with their roles under the Underwriting Agreement and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Nil Paid Rights, Fully Paid Rights and New Ordinary Shares). None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, the Underwriters and their affiliates may enter into certain financing arrangements (including swaps or contracts for difference) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of New Ordinary Shares.

If the Rights Issue is delayed so that the Provisional Allotment Letters cannot be dispatched on 1 February 2021, Part IV: "*Expected Timetable of Principal Events and Rights Issue Statistics*" in this document will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letter and announced through a Regulatory Information Service, in which case all references in this Part X should be read as being subject to such adjustment.

All documents, including Provisional Allotment Letters (which constitute temporary documents of title) and cheques and certificates posted to, by, from, or on behalf of Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

The attention of Overseas Shareholders is drawn to paragraphs 7 and 8 of this Part X.

### **3. ACTION TO BE TAKEN**

The action to be taken by Qualifying Shareholders in respect of the New Ordinary Shares depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder and (subject to certain limited exceptions as set out in paragraph 7 of this Part X) do not have a registered address in the Excluded Territories, please refer to paragraphs 4, 6 and 8-13 (inclusive) of this Part X.

If you are a Qualifying CREST Shareholder and (subject to certain limited exceptions as set out in paragraph 7 of this Part X) do not have a registered address, or are not located or resident, in the Excluded Territories, please refer to paragraphs 5, 6 and 8-13 (inclusive) of this Part X and to the CREST Manual for further information on the CREST procedures referred to below.

CREST Sponsored Members should refer to their CREST Sponsors, as only their CREST Sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST Sponsored Members.

If you are a Qualifying CREST Shareholder or a Qualifying Non-CREST Shareholder who has a registered address, or is located or resident, in any of the Excluded Territories, please refer to paragraph 8 of this Part X.

If you have any questions relating to this document, or the completion and return of the Form of Proxy or the Provisional Allotment Letter, please telephone the Shareholder Helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

#### **4. ACTION TO BE TAKEN BY QUALIFYING NON-CREST SHAREHOLDERS IN RELATION TO NIL PAID RIGHTS REPRESENTED BY PROVISIONAL ALLOTMENT LETTERS**

##### **4.1 General**

Provisional Allotment Letters are expected to be dispatched to Qualifying Non-CREST Shareholders (other than, subject to certain limited exceptions, Qualifying Shareholders with registered addresses, or who are resident or located, in the United States, Canada or any of the Excluded Territories) on 1 February 2021. Each Provisional Allotment Letter will set out:

- (a) the holding at the close of business on the Record Date of Existing Ordinary Shares in certificated form on which a Qualifying Non-CREST Shareholder's entitlement to New Ordinary Shares has been based;
- (b) the aggregate number and cost of New Ordinary Shares provisionally allotted to such Qualifying Non-CREST Shareholder with respect to the Existing Ordinary Shares referred to in paragraph (a) above;
- (c) the amount payable by a Qualifying Non-CREST Shareholder at the Rights Issue Price to take up his or her entitlement in full;
- (d) the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of its, his or her entitlement or to convert all or part of its, his or her entitlement into uncertificated form; and
- (e) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation (where applicable).

On the basis that Provisional Allotment Letters are posted on or about 1 February 2021, and that dealings in Nil Paid rights commence on 2 February 2021, the latest time and date for acceptance and payment in full will be 11.00 a.m. on 16 February 2021.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be dispatched on 1 February 2021, the expected timetable, as set out in Part IV: "*Expected Timetable of Principal Events and Rights Issue Statistics*" of this document, will be adjusted accordingly, and the revised dates will be set out in the Provisional Allotment Letters and announced through a Regulatory Information Service. All references to times and/or dates in this document should be read as being subject to such adjustment.

##### **4.2 Procedure for acceptance and payment**

###### **(a) *Qualifying Non-CREST Shareholders who wish to take up their entitlement in full***

Holders of Provisional Allotment Letters who wish to take up all of their Nil Paid Rights should either do so by post, with a supporting cheque to pay for their New Ordinary Shares. The Provisional Allotment Letter must be returned, together with the cheque or building society cheque in pounds sterling, written in black ink, made payable to "Link Market Services Limited Re TP ICAP Rights Issue" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment

Letter, by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 16 February 2021. A reply-paid envelope will be enclosed for use within the United Kingdom only. If you post your Provisional Allotment Letter, it is recommended that you allow sufficient time for delivery (for instance, allowing four days for first class post within the United Kingdom). Please note that banker's draft and payments via CHAPS, BACS or electronic transfer will not be accepted. Postdated cheques will also not be accepted.

Once the Provisional Allotment Letter, duly completed, and payment have been received by the Receiving Agent in accordance with the above, the Qualifying Non-CREST Shareholder will have been deemed to have accepted the offer to subscribe for the number of New Ordinary Shares specified on their Provisional Allotment Letter.

*(b) Qualifying Non-CREST Shareholders who wish to accept in part*

Holders of Provisional Allotment Letters who wish to take up some but not all and/or sell some or all of their Nil Paid Rights can do so by post in accordance with the instructions set out below.

**Qualifying Non-CREST Shareholders who wish to take up some (but not all) of their entitlement, without selling or transferring the remainder,** should complete the Provisional Allotment Letter in accordance with the instructions printed thereon and return it, together with a cheque or building society cheque in pounds sterling, written in black ink, for the amount payable for the number of Nil Paid Rights such Qualifying Non-CREST Shareholder wishes to take up, by post using the reply paid envelope provided or by hand (during normal business hours only) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 16 February 2021.

**Qualifying Non-CREST Shareholders who wish to take up some (but not all) of their entitlement and wish to transfer some or all of those rights which they do not want to take up, or wish to transfer all of the Nil Paid Rights or (if appropriate) Fully Paid Rights, but to different persons, should first apply to have the Provisional Allotment Letter split (unless they wish to sell some or all of the Nil Paid Rights or to elect a Cashless Take-up through the Special Dealing Service operated by Link Group)** by returning the Provisional Allotment Letter duly completed in accordance with the instructions printed thereon, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter by post using the reply paid envelope provided or by hand (during normal business hours only) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, so as to arrive as soon as possible and in any event so as to be received by not later than 3.00 p.m. on 12 February 2021, (the last date and time for splitting Nil Paid Rights). Shareholders should complete the split Provisional Allotment Letter in accordance with the instructions printed thereon and return it, together with a cheque or building society cheque in pounds sterling, written in black ink, for the amount payable for the number of Nil Paid Rights such Qualifying Non-CREST Shareholder wishes to take up, by post using the reply paid envelope provided or by hand (during normal business hours only) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 16 February 2021.

**Qualifying Non-CREST Shareholders who wish to sell all of their entitlement (but not through the Special Dealing Service operated by Link Group),** should complete and sign Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire letter to their stockbroker, bank manager or other appropriate financial adviser or to the transferee (provided they are not in any of the Excluded Territories). Please note that the ability to achieve a sale of rights is dependent on the demand for such rights and that the price for the Nil Paid Rights may fluctuate. Shareholders should allow enough time so as to enable the person acquiring the rights to take all necessary steps in connection with taking up the entitlement prior to than 11.00 a.m. on 16 February 2021.

**Alternatively, Qualifying Non-CREST Shareholders who wish to use the Special Dealing Service operated by Link Group,** who are individual certificated shareholders (including legal representatives such as executors whose details have been registered with the Registrars) aged 18 or over (in the case of natural persons), who are resident in the United Kingdom (or any other country confirmed by Link Group in writing), can use the Special Dealing Service operated by Link Group to either (i) sell all of their Nil Paid Rights or (ii) sell a sufficient number of Nil Paid Rights to raise money to take up the remainder of their rights (that is, effect a Cashless Take-up). To use the Special Dealing Service operated by Link Group to sell all of their Nil Paid

Rights, should tick Box C in Part 2 on page 1 of the Provisional Allotment Letter, complete, sign and date Part 3 on page 1 of the Provisional Allotment Letter and return it by post or by hand (during normal business hours) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom so as to be received by 11.00 a.m. on 11 February 2021.

If a Qualifying Non-CREST Shareholder wishes to sell sufficient Rights represented by their Provisional Allotment Letter to enable the take up the remaining entitlements using the Special Dealing Service (i.e. effect a Cashless Take-up), they should tick Box D in Part 2 on page 1 of the Provisional Allotment Letter, complete, sign and date Part 3 on page 1 of their Provisional Allotment Letter and return it by post or by hand (during normal business hours) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom so as to be received by 11.00 a.m. on 11 February 2021.

Link Group will charge a commission of 1 per cent. of the gross proceeds of any sale of Nil Paid Rights effected using the Special Dealing Service, subject to a minimum of £25 per holding. Due to the minimum charge, the Special Dealing Service may not be cost effective for all Qualifying Non-CREST Shareholders. For example, in relation to Qualifying Non-CREST Shareholders selling a small holding, it is possible that in certain circumstances the administration charge may be more than the value of sale proceeds.

Returning the Provisional Allotment Letter and electing to use the Special Dealing Service, will be deemed to be agreeing to the Special Dealing Service Terms and Conditions and make a legally binding agreement with the Registrar on those terms. The Special Dealing Service Terms and Conditions will be posted to shareholders together with the Provisional Allotment Letter if the Existing Ordinary Shares are held in certificated form. For the avoidance of doubt, TP ICAP plc shall have no responsibility or liability to Shareholders in respect of the Special Dealing Service which is solely the responsibility of Link Group.

Further details about the Special Dealing Service are set out in section 4.3 (*Special Dealing Service*) of this Part X.

(c) *Qualifying Non-CREST Shareholders who do not wish to take up their rights at all*

Qualifying Non-CREST Shareholders who do not wish to take up their rights at all do not need to do anything. If Qualifying Non-CREST Shareholders do not return their Provisional Allotment Letters by 11.00 a.m. on 16 February 2021, the Company has made arrangements under which the Underwriters will try to find investors to take up such rights. If they do find investors and are able to achieve a premium over the Rights Issue Price and the related expenses of procuring those investors (including any applicable commission and amounts in respect of irrecoverable VAT), then Qualifying Non-CREST Shareholders so entitled will be paid for the amount of that aggregate premium above the Rights Issue Price less related expenses (including any applicable commission and amounts in respect of irrecoverable VAT), so long as the amount in question is at least £5.00, in pounds sterling by cheque.

(d) *Discretion as to validity of acceptances*

If payment is not received by post in full by 11.00 a.m. on 16 February 2021, the provisional allotment will be deemed to have been declined and will lapse. However, the Company and the Sole Global Co-ordinator may, but shall not be obliged to, treat as valid acceptances in respect of which remittances for the full amount are received prior to 11.00 a.m. on 16 February 2021 from an authorised person (as defined in Section 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and an undertaking by that person to lodge the relevant Provisional Allotment Letter, duly completed, by a time and date which are satisfactory to the Company and the Sole Global Co-ordinator, in their sole discretion.

The Company may also (in its absolute discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the New Ordinary Shares that appears to the Company to have been executed in, dispatched from, or that provides an address for delivery of definitive share certificates for New Ordinary Shares in, an Excluded Territory.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph 4.2 of this Part X is deemed to request that the New Ordinary Shares to which they will become entitled be issued to them on the terms set out in this document and the Provisional Allotment Letter and subject to the Articles.

#### *(e) Payments*

All payments made by Qualifying Non-CREST Shareholders must be made in pounds sterling by cheque or building society cheque, written in black ink, made payable, to “Link Market Services Limited Re TP ICAP Rights Issue” and crossed “A/C payee only.” Third party cheques may not be accepted except building society cheques where the building society has inserted the full name of the account holder and have either added the building society stamp or have provided a supporting letter confirming the source of funds. Cheques or building society cheques must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and building society cheques to be cleared through facilities provided by either of these companies. Such cheques and building society cheques must bear the appropriate sorting code in the top right-hand corner. Post-dated cheques will not be accepted. Payments via bankers’ drafts, CHAPS, BACS or electronic transfer will not be accepted.

Cheques and building society cheques will be presented for payment on receipt. No interest will be paid on payments made before they are due and any interest on such payments ultimately will accrue for the benefit of the Company. It is a term of the Rights Issue that cheques shall be honoured on first presentation, and the Company may elect to treat as invalid any acceptances in respect of which cheques are not so honoured. Return of a Provisional Allotment Letter by a Qualifying Non-CREST Shareholder will constitute a warranty that the cheque will be honoured on first presentation. All documents, cheques and building society cheques sent through the post will be sent at the risk of the sender. If New Ordinary Shares have already been allotted to Qualifying Shareholders prior to any payment not being so honoured or such Qualifying Shareholders’ acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of those Qualifying Shareholders and hold the proceeds of sale (net of the Company’s reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholders pursuant to the provisions of this Part X in respect of the acquisition of such shares) on behalf of such Qualifying Shareholders. None of the Company, the Underwriters or any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by Qualifying Shareholders as a result.

### **4.3 Special Dealing Service**

Qualifying Non-CREST Shareholders who are individuals (including legal representatives such as executors whose details have been registered with the Registrars) aged 18 or over (in the case of natural persons), who are resident in the United Kingdom (or any other country confirmed by Link Group in writing) can use the Special Dealing Service to either (i) sell all of the Nil Paid Rights to which they are entitled or (ii) sell a sufficient number of Nil Paid Rights to raise money to take up the remainder (that is, effect a Cashless Take-up).

Following receipt of a valid election or instruction under the Special Dealing Service, the Provisional Allotment Letter to which such election or instruction relates will cease to be valid for any purpose. By making an election or giving an instruction under the Special Dealing Service a Qualifying Non-CREST Shareholder will be deemed to have represented, warranted and undertaken (a) such Nil Paid Rights will be transferred with full title guarantee and free from liens, charges, or other third party rights of any kind; (b) that he or she and any underlying beneficial owner are entitled to sell the Nil Paid Rights, and (c) that the use of the Special Dealing Service by him or her or the sale of the Nil Paid Rights pursuant to the Special Dealing Service does not and will not breach any applicable laws. By giving an instruction under the Special Dealing Service, a Qualifying Non-CREST Shareholder will be deemed to have renounced their Nil Paid Rights, as applicable to their instruction.

Link Group will charge a commission of 1 per cent. of the gross proceeds of any sale of Nil Paid Rights effected using the Special Dealing Service, subject to a minimum of £25 per holding. Due to the minimum charge, the Special Dealing Service may not be cost effective for all Qualifying Non-CREST Shareholders. For example, in relation to Qualifying Non-CREST Shareholders selling a small holding, it is possible that in certain circumstances the administration charge may be more than the value of sale proceeds.

Qualifying Non-CREST Shareholders should be aware that by returning the Provisional Allotment Letter and electing to use the Special Dealing Service, they will be deemed to be agreeing to the Special Dealing Service Terms and Conditions and make a legally binding agreement with the Registrar on those terms. The Special

Dealing Service Terms and Conditions will be set out in a document accompanying the Provisional Allotment Letter.

A Qualifying Non-CREST Shareholder who is eligible and elects to use the Special Dealing Service agrees to the terms and conditions of the Rights Issue set out in this document and the Special Dealing Service Terms and Conditions (including how the price for the sale of their Nil Paid Rights is calculated and the commissions that will be deducted from the proceeds of the sale of such Nil Paid Rights). Qualifying Non-CREST Shareholders using the Special Dealing Service should note that they will be clients of Link Group and not of the Company when using such service. Link Group's liability to such a Qualifying Non-CREST Shareholder and its responsibility for providing the protections afforded by the UK regulatory regime to clients for whom such services are provided is as set out in the Special Dealing Service Terms and Conditions, and neither Link Group nor the Company shall have any liability or responsibility to a Qualifying Non-CREST Shareholder using the Special Dealing Service except as set out in those Special Dealing Service Terms and Conditions. None of the Company, or the Underwriters or their agents shall be responsible for any loss, expense or damage (whether actual or alleged) arising from the terms or timing of any sale, any settlement issues arising from any sale, any exercise of discretion in relation to any sale, or any failure to procure any sale, of Nil Paid Rights pursuant to the Special Dealing Service.

The Company, Link Group and/or their agents shall each have discretion to determine the eligibility of Qualifying Non-CREST Shareholders, and may each in their sole discretion interpret instructions on the Provisional Allotment Letter, and none of the Company, the Underwriters, Link Group or their agents shall be responsible for any loss, expense or damage (whether actual or alleged) arising from any such exercise of discretion.

All remittances will be sent by post, at the risk of the Qualifying Non-CREST Shareholder entitled thereto, to the registered address of the relevant Qualifying Non-CREST Shareholder (or, in the case of joint holders, to the address associated with the relevant account as it appears on the register of Shareholders).

No interest will be payable on any proceeds received from the sale of Nil Paid Rights under the Special Dealing Service.

#### **4.4 Money Laundering Regulations**

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the **verification of identity requirements**). If an application is made by a UK-regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter. The person lodging the Provisional Allotment Letter with payment (the **applicant**), including any person who appears to the Receiving Agent to be acting on behalf of some other person, shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements and agree for the Receiving Agent to make a search using a credit reference agency for the purpose of confirming such identity; where deemed necessary a record of the search will be retained. Return of a Provisional Allotment Letter by a Qualifying Non-CREST Shareholder will constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

If the Receiving Agent determines that the verification of identity requirements applies to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Rights Issue) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of the Receiving Agent, the Company or the Underwriters will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements applies, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which

event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or building society cheque was drawn. If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is dispatched to the applicant, as the Company may in its absolute discretion allow, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations.

The verification of identity requirements will not usually apply if:

- (a) the applicant is an organisation required to comply with the Money Laundering Directive 2018/843/EU of the European Parliament and of the Council of 9 July 2018 on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing;
- (b) the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations;
- (d) the applicant (not being an applicant who delivers their application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA state which imposes requirements equivalent to those laid down in that directive; or
- (e) the aggregate price for taking up the relevant New Ordinary Shares is less than €15,000 (or its pounds sterling equivalent).

When the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

- (i) payments must be made by cheque or building society cheque in pounds sterling drawn on a branch of a bank or building society in the United Kingdom and bear a United Kingdom bank sort code in the top right-hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable, to "Link Market Services Limited Re TP ICAP Rights Issue" and crossed "A/C payee only." Third party cheques may not be accepted except for building society cheques where the building society has inserted the full name of the account holder and have either added the building society stamp or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Provisional Allotment Letter; or
- (ii) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in paragraph (a) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, members of the Gulf Cooperation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide written confirmation that it has that status with the Provisional Allotment Letter(s) and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent and/or any relevant regulatory or investigatory authority; or
- (iii) if a Provisional Allotment Letter is lodged by hand by the applicant in person, they should ensure that they have with them evidence of identity bearing their photograph (for example, a passport) and evidence of their address.

In order to confirm the acceptability of any written assurance referred to in paragraph (ii) above, or in any other case, the applicant should contact the Shareholder Helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public



holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

#### **4.5 Dealings in Nil Paid Rights**

Assuming that the Rights Issue becomes unconditional, dealings on the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 2 February 2021.

A transfer of Nil Paid Rights can be made (in the case of Qualifying Non-CREST Shareholders) by renunciation of the relevant Provisional Allotment Letter in accordance with the instructions printed on it or, in the case of any person in whose favour the rights have been renounced, by delivery of such letter to the transferee, up to the latest time for acceptance and payment in full stated in the Provisional Allotment Letter, which is expected to be 11.00 a.m. on 16 February 2021.

The Company has engaged Link Group to make available its Special Dealing Service to enable Qualifying Non-CREST Shareholders (who are individuals (including legal representatives such as executors whose details have been registered with the Registrars) aged 18 or over (in the case of natural persons), who are resident in the EEA (or any other country confirmed by Link Group in writing)) to either (a) sell all of the Nil Paid Rights to which they are entitled or (b) sell sufficient Nil Paid Rights represented by the Provisional Allotment Letter to enable them to take up their remaining entitlements (known as a Cashless Take-up). Further information about the Special Dealing Service is set out in section 4.3 (*Special Dealing Service*) of this Part X and the Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders together with the Provisional Allotment Letter. For the avoidance of doubt, the Company accepts (and it is a term of the Rights Issue that it shall have) no responsibility or liability whatsoever to Shareholders for or in respect of the Special Dealing Service operated by Link Group and, to the fullest extent permitted by law, disclaims any duty, liability or responsibility whatsoever (whether direct or indirect and whether arising in contract, tort, under statute or otherwise) in respect of such service or its operation.

#### **4.6 Dealings in Fully Paid Rights**

After acceptance by a Qualifying Non-CREST Shareholder of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the resultant Fully Paid Rights may be transferred by renunciation of the relevant fully paid Provisional Allotment Letter and delivering it, by post or by hand (during normal business hours only), to the Receiving Agent so as to be received not later than 11.00 a.m. on 16 February 2021. To do this, a Qualifying Non-CREST Shareholder will need to have their fully paid Provisional Allotment Letter returned to them after the acceptance has been effected by the Receiving Agent. However, fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested by placing an “x” in the appropriate box on the Provisional Allotment Letter. The New Ordinary Shares are expected to be held in registered form and transferable in the usual way from 17 February 2021.

It should be noted that Qualifying Non-CREST Shareholders who wish to sell their Fully Paid Rights will have to take-up their rights by returning their Provisional Allotment Letter and cheque in the post by following the instructions in paragraph 4.2 above.

#### **4.7 Renunciation and splitting of Provisional Allotment Letters**

The Provisional Allotment Letters are fully renounceable (save as required by the laws of certain overseas jurisdictions) and may be split up to 3.00 p.m. on 12 February 2021 nil paid and fully paid.

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights represented by a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X of the Provisional Allotment Letter (if it is not already marked “Original Duly Renounced”) and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, it will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in such letter may be transferred by delivery of such letter to the transferee. The latest time and date for registration of renunciation of Provisional Allotment Letters is 11.00 a.m. on 16 February 2021 and from 17 February 2021 the New Ordinary Shares will be in registered form, transferable by written instrument of transfer in the usual common form or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system. Qualifying Non-CREST Shareholders should note that fully paid

Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Ordinary Shares registered in his or her name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights, or (if appropriate) Fully Paid Rights represented by that Provisional Allotment Letter but to different persons, they may have the Provisional Allotment Letter split, for which purpose they must sign and date Form X of the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, by not later than 3.00 p.m. on 12 February 2021, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be represented by each split Provisional Allotment Letter should be stated in an accompanying letter. Form X of split Provisional Allotment Letters will be marked "Original Duly Renounced" before issue. The holder of the split Provisional Allotment Letters should then follow the instructions in the preceding paragraph in relation to transferring the Nil Paid Rights or (as appropriate) the Fully Paid Rights represented by each split Provisional Allotment Letter. Once the holder's split Provisional Allotment Letter, duly completed, and payment have been received by the Receiving Agent in accordance with the above, the holder will have accepted the offer to subscribe for the number of New Ordinary Shares specified on that split Provisional Allotment Letter.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without selling or transferring the remainder, should complete Form X of the original Provisional Allotment Letter and return it by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, together with a covering letter confirming the number of New Ordinary Shares to be taken up and a cheque for the appropriate amount made payable to "Link Market Services Limited Re TP ICAP Rights Issue" and crossed "A/C payee only" to pay for this number of shares. In this case, the Provisional Allotment Letter and cheque or building society cheque must be received by the Receiving Agent by 11.00 a.m. on 16 February 2021, being the last time and date for acceptance. Once the holder's Provisional Allotment Letter, duly completed, and payment have been received by the Receiving Agent in accordance with the above, the holder will have accepted the offer to subscribe for the number of New Ordinary Shares specified on their Provisional Allotment Letter.

The Company reserves the right to refuse to register any renunciation in favour of any person in respect of whom the Directors believe such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom.

#### **4.8 Registration in names of Qualifying Non-CREST Shareholders**

A Qualifying Non-CREST Shareholder who wishes to have all the New Ordinary Shares to which they are entitled registered in their name must accept and make payment for such allotment in accordance with the provisions set out in this document and the Provisional Allotment Letter but need take no further action. A share certificate in respect of the New Ordinary Shares is expected to be dispatched to such Qualifying Non-CREST Shareholders by post no later than 2 March 2021.

#### **4.9 Registration in names of persons other than Qualifying Non-CREST Shareholders originally entitled**

To register the New Ordinary Shares in certificated form in the name of someone other than the Qualifying Shareholder(s) originally entitled, the renounee or their agent(s) must complete Form Y of the Provisional Allotment Letter (unless the renounee is a CREST Member who wishes to hold such New Ordinary Shares in uncertificated form, in which case Form X and the CREST Deposit Form must be completed (see paragraph 5.2 of this Part X)) and send the entire Provisional Allotment Letter, by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, so as to be received by not later than 11.00 a.m. on 16 February 2021. Registration cannot be effected unless and until the New Ordinary Shares represented by a Provisional Allotment Letter are fully paid for.

The New Ordinary Shares represented by two or more Provisional Allotment Letters (duly renounced where applicable) may be registered in the name of one holder (or joint holders). To consolidate rights attached to two or more Provisional Allotment Letters, complete Form Y of the Provisional Allotment Letter and attach a letter detailing each Provisional Allotment Letter number, the number of New Ordinary Shares represented by each Provisional Allotment Letter, the total number of Provisional Allotment Letters to be consolidated and the total

number of New Ordinary Shares represented by all the Provisional Allotment Letters to be consolidated. All the Provisional Allotment Letters to be consolidated must be lodged in one batch together.

#### **4.10 Deposit of Nil Paid Rights or Fully Paid Rights into CREST**

The Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. As provided below in this paragraph 4.10 of this Part X or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. Shareholders are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear in the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form will need to be completed and the Provisional Allotment Letter deposited with the CREST Courier and Sorting Service (the CCSS). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that: (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS, and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If a Shareholder wishes to deposit some only of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, they must first apply for split Provisional Allotment Letters. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited.

A holder of the Nil Paid Rights (or, as appropriate, the Fully Paid Rights) represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights (or, as appropriate, the Fully Paid Rights) in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 16 February 2021. In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form of the Provisional Allotment Letter duly completed), with the CCSS (to enable the person acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 16 February 2021) is 3.00 p.m. on 11 February 2021.

When Form X and the CREST Deposit Form have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter will cease forthwith to be renounceable or transferable by delivery and for the avoidance of doubt, any entries in Form Y of the Provisional Allotment Letter will not be recognised or acted upon by the Receiving Agent. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the means of the CREST system once such rights have been deposited into CREST.

CREST Sponsored Members should contact their CREST Sponsors as only their CREST Sponsors will be able to take the necessary actions to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST Sponsored Members.

#### **4.11 Issue of share certificates in respect of New Ordinary Shares**

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be dispatched by post by 2 March 2021 (at the risk of the person(s) entitled to them) to accepting Qualifying Non-CREST Shareholders or to the person(s) entitled to them at their registered address (unless lodging agent details have been completed in the Provisional Allotment Letter). After dispatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending dispatch of definitive share certificates, instruments of transfer of the New Ordinary Shares will be certified by the Registrar against the register, and/or, in the case of renounced Provisional Allotment Letters, against the registration receipt, Form Y, bearing the stamp of the Registrar.

## **5. ACTION TO BE TAKEN BY QUALIFYING CREST SHAREHOLDERS IN RELATION TO NIL PAID RIGHTS OR FULLY PAID RIGHTS IN CREST**

### **5.1 General**

Subject as provided in paragraph 7 of this Part X in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to their CREST stock account of their entitlement to Nil Paid Rights as soon as practicable after **8.00 a.m. on 2 February 2021**. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The maximum number of New Ordinary Shares that a Qualifying CREST Shareholder may take up is that which has been provisionally allotted to that Qualifying CREST Shareholder and for which they receive a credit of entitlement into their stock account in CREST. The minimum number of New Ordinary Shares a Qualifying CREST Shareholder may take up is one.

The Nil Paid Rights and Fully Paid Rights each constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders or to enable the Nil Paid Rights, Provisional Allotment Letters shall, unless the Company decides otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document may be adjusted as appropriate. References to dates and times in this document should be read as being subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST Members who wish to take up all or part of their entitlements in respect of, or otherwise to transfer all or part of, their Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. CREST Sponsored Members should consult their CREST Sponsor if they wish to take up their entitlements as only their CREST Sponsor will be able to take the necessary action to take up their entitlement or otherwise to deal with their Nil Paid Rights or Fully Paid Rights.

### **5.2 Procedure for acceptance and payment**

#### **(a) MTM Instruction**

CREST Members who wish to take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, in the case of CREST Sponsored Members, procure that their CREST Sponsor sends) an MTM Instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;
- (ii) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of the Receiving Agent in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in paragraph (i) above; and
- (iii) the crediting of a stock account of the accepting CREST Member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM Instruction) of the corresponding number of Fully Paid Rights to which the CREST Member is entitled on taking up their Nil Paid Rights referred to in paragraph (i) above.

#### **(b) Contents of MTM Instructions**

The MTM Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Nil Paid Rights to which the acceptance relates;
- (ii) the participant ID of the accepting CREST Member;

- (iii) the member account ID of the accepting CREST Member from which the Nil Paid Rights are to be debited;
- (iv) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 9RA01;
- (v) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 21016PRE;
- (vi) the number of Fully Paid Rights that the CREST Member is expecting to receive on settlement of the MTM Instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- (vii) the amount payable by means of the CREST assured payment arrangements on settlement of the MTM Instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights to which the acceptance relates;
- (viii) the intended settlement date (which must be on or before 11.00 a.m. on 16 February 2021);
- (ix) the Nil Paid Rights ISIN which is GB00BMCFLY79;
- (x) the Fully Paid Rights ISIN which is GB00BMCFLZ86;
- (xi) the corporate action number (as this term is defined in the CREST Manual) for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
- (xii) a contact name and telephone number (in the free format shared note field); and
- (xiii) a priority of at least 80.

(c) *Valid acceptance*

An MTM Instruction complying with each of the requirements as to authentication and contents set out in paragraph (b) above will constitute a valid acceptance where either:

- (i) the MTM Instruction settles by not later than 11.00 a.m. on 16 February 2021; or
- (ii) at the discretion of the Company: (A) the MTM Instruction is received by Euroclear by not later than 11.00 a.m. on 16 February 2021; (B) the number of Nil Paid Rights inserted in the MTM Instruction is credited to the CREST stock account of the accepting CREST Member specified in the MTM Instruction at 11.00 a.m. on 16 February 2021; and (C) the relevant MTM Instruction settles by 2.00 p.m. on 16 February 2021 (or such later date as the Company has determined).

An MTM Instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Provider's Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST Member (or by the CREST Sponsored Member's CREST Sponsor). This will be conclusively determined by the input time stamp applied to the MTM Instruction by the Network Provider's Communications Host.

(d) *Representations, warranties and undertakings of CREST Members*

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with this paragraph 5.2 of this Part X represents, warrants and undertakes to the Company that they have taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by them or by their CREST Sponsor (as appropriate) to ensure that the MTM Instruction concerned is capable of settlement at 11.00 a.m. on 16 February 2021 and remains capable of settlement at all times after that until 2.00 p.m. on 16 February 2021 (or until such later time and date as the Company may determine). In particular, the CREST Member or CREST Sponsored Member represents, warrants and undertakes that at 11.00 a.m. on 16 February 2021 and at all times thereafter until 2.00 p.m. on 16 February 2021 (or until such later time and date as the Company may determine) there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM Instruction to settle. CREST Sponsored Members should contact their CREST Sponsor if they are in any doubt. In addition, such CREST Sponsored Member taking up entitlements makes the representations and gives the warranties set out in paragraph 8 of this Part X.

If there is insufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST Member or CREST Sponsored Member for such amount to be

debited or the CREST Member's or CREST Sponsored Member's acceptance is otherwise treated as invalid and New Ordinary Shares have already been allotted to such CREST Member or CREST Sponsored Member, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of that CREST Member or CREST Sponsored Member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that they have suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and of all amounts payable by the CREST Member or CREST Sponsored Member pursuant to the provisions of this Part X in respect of the acquisition of such shares) on behalf of such CREST Member or CREST Sponsored Member. None of the Company, the Underwriters nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by such CREST Member or CREST Sponsored Member as a result.

*(e) CREST procedures and timings*

CREST Members and CREST Sponsors (on behalf of CREST Sponsored Members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action.

Normal system timings and limitations will therefore apply in relation to the input of an MTM Instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Sponsored Member, to procure that his or her CREST Sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 16 February 2021. In this connection, CREST Members and (where applicable) CREST Sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

*(f) CREST Member's undertaking to pay*

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with the procedures set out in this paragraph 5.2 of this Part X: (i) undertakes to pay to the Company, or procure the payment to the Company of the amount payable in pounds sterling on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual) the creation of a RTGS settlement bank payment obligation in pounds sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST Member (or CREST Sponsored Member) to pay the amount payable on acceptance); and (ii) requests that the Fully Paid Rights and/or New Ordinary Shares, to which they will become entitled, be issued to them on the terms set out in this document and subject to the Articles.

If the payment obligations of the relevant CREST Member in relation to such New Ordinary Shares are not discharged in full and such New Ordinary Shares have already been issued to the CREST Member or CREST Sponsored Member, the Company may (in its absolute discretion as to the manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST Member or CREST Sponsored Member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the same and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and all amounts payable by the CREST Member or CREST Sponsored Member pursuant to the provisions of this Part X in respect of the acquisition of such shares) or an amount equal to the original payment of the CREST Member or CREST Sponsored Member (whichever is lower) on trust for such CREST Member or CREST Sponsored Member. In these circumstances, neither the Underwriters nor the Company shall be responsible for, or have any liability for, any loss, expenses or damage arising as a result.

*(g) Discretion as to rejection and validity of acceptances*

The Company may agree (having consulted with the Underwriters and taken into account their reasonable comments) to:

- (i) reject any acceptance constituted by an MTM Instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 5.2 of this Part X. Where an acceptance is made as described in this paragraph 5.2 of this Part X which is otherwise valid, and the MTM Instruction concerned fails to settle by 2.00 p.m. on 16 February 2021 (or by such later time and date as the Company may determine), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance as described in this

paragraph 5.2 of this Part X, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 5.2 of this Part X unless the Company and the Sole Global Co-ordinator is aware of any reason outside the control of the CREST Member or CREST Sponsor (as appropriate) concerned for the MTM instruction to settle;

- (ii) treat as valid (and binding on the CREST Member or CREST Sponsored Member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 5.2 of this Part X;
- (iii) accept an alternative properly authenticated dematerialised instruction from a CREST Member or (where applicable) a CREST Sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM Instruction and subject to such further terms and conditions as the Company may determine;
- (iv) treat a properly authenticated dematerialised instruction (the **first instruction**) as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and/or
- (v) accept an alternative instruction or notification from a CREST Member or (where applicable) a CREST Sponsor, or extend the time for acceptance and/or settlement of an MTM Instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any CREST Member or CREST Sponsored Member or (where applicable) CREST Sponsor, the CREST Member or CREST Sponsored Member is unable validly to take up all or part of their Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent in connection with CREST.

### **5.3 Money Laundering Regulations**

If a person holds their Nil Paid Rights in CREST and applies to take up all or part of their entitlement as agent for one or more persons and they are not a United Kingdom or EU-regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is required to take reasonable measures to establish the identity of the person or persons on whose behalf such person is making the application. Such person must therefore contact the Receiving Agent before sending any MTM Instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM Instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above is an undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the Money Laundering Regulations or FSMA. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM Instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then the Receiving Agent will not permit the MTM Instruction concerned to proceed to settlement, but without prejudice to the right of the Company to take proceedings to recover any loss suffered as a result of failure by the applicant to provide satisfactory evidence.

### **5.4 Dealings in Nil Paid Rights**

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 2 February 2021. Dealings in Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 16 February 2021.

### **5.5 Dealings in Fully Paid Rights**

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred (in whole or in part) by means of CREST in the same manner as any other security that is admitted to CREST. The latest time for settlement of any transfer of Fully

Paid Rights in CREST is expected to be 11.00 a.m. on 16 February 2021. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 16 February 2021.

From 17 February 2021, the New Ordinary Shares will be in registered form and transferable in the usual way (see paragraph 5.7 of this Part X).

## **5.6 Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST**

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, as appropriate, Fully Paid Rights, from CREST is 4.30 p.m. on 10 February 2021, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, as appropriate, Fully Paid Rights, following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 16 February 2021. It is recommended that reference is made to the CREST Manual for details of such procedures.

## **5.7 Issue of New Ordinary Shares in CREST**

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 16 February 2021 (the latest date for settlement of transfers of Fully Paid Rights in CREST). New Ordinary Shares will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on the date on which the Fully Paid Rights are disabled. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Ordinary Shares as soon as practicable after 8.00 a.m. on 17 February 2021.

## **5.8 Right to allot/issue in certificated form**

Despite any other provision of this document, the Company reserves the right to allot and to issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

# **6. PROCEDURE IN RESPECT OF NEW ORDINARY SHARES NOT TAKEN UP AND WITHDRAWAL RIGHTS**

## **6.1 Procedure in respect of New Ordinary Shares not taken up**

If an entitlement to New Ordinary Shares is not validly taken up in accordance with the procedure laid down for acceptance and payment, then that provisional allotment shall be deemed to have been declined and will lapse. If an entitlement to New Ordinary Shares is not validly taken up by 11.00 a.m. on 16 February 2021 in accordance with the procedure laid down for acceptances and payment, then the Underwriters will use reasonable endeavours to procure, by not later than 5.00 p.m. on 18 February 2021, subscribers for all (or as many as possible) of those New Ordinary Shares not taken up if an amount which is not less than the total of the Rights Issue Price and the expenses of procuring such subscribers (including any related commissions and amounts in respect of irrecoverable VAT) can be obtained.

Notwithstanding the above, the Underwriters may cease to endeavour to procure any such subscribers if, in their opinion, it is unlikely that any such subscribers can be so procured at such a price by such time. If and to the extent that subscribers cannot be procured on the basis outlined above, or if procurement of subscribers would give rise to a breach of law, the relevant New Ordinary Shares will be subscribed for by the Underwriters as principals pursuant to the Underwriting Agreement or their sub-underwriters (if any), in each case, at the Rights Issue Price on the terms and subject to the conditions of the Underwriting Agreement.

New Ordinary Shares for which subscribers are procured on this basis will be re-allotted to such subscribers and the aggregate of any premiums (being the amount paid by such subscribers after deducting the Rights Issue Price and the expenses of procuring such subscribers, including any applicable brokerage and commissions and amounts in respect of irrecoverable VAT), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant lapsed provisional allotments on the basis set out below, save that no



payment will be made of amounts of less than £5.00, which amounts will be aggregated and will ultimately accrue to the benefit of the Company:

- (a) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared in the Provisional Allotment Letter;
- (b) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and
- (c) to the extent not provided above, where an Overseas Shareholder received neither a Provisional Allotment Letter nor a credit to their CREST account, to that Overseas Shareholder.

Any transactions undertaken pursuant to this paragraph 6.1 of this Part X shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and none of the Company, the Underwriters or any other person procuring subscribers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms of or timing of any such subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis described above.

For Qualifying Non-CREST Shareholders, payments for the amounts due will be made in pounds sterling by cheque. Where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the Company procuring the creation of an assured payment obligation in favour of the relevant CREST Member's (or CREST Sponsored Member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Shareholders will not be entitled to apply for New Ordinary Shares in excess of their entitlement.

## **6.2 Withdrawal rights**

Qualifying Shareholders wishing to exercise statutory withdrawal rights after the issue by the Company of a document supplementing this document must do so by sending a written notice of withdrawal which must include the account number, the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST Member, the participant ID and the member account ID of such CREST Member, in writing to the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, so as to be received no later than two Business Days after the date on which the supplementary document is published.

Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal. Furthermore, the exercise of withdrawal rights will not be permitted after payment in full by the relevant person in respect of their New Ordinary Shares taken up and the allotment of those New Ordinary Shares to such person becoming unconditional, save as required by statute. In such circumstances, Shareholders are advised to consult their professional advisers. Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions of paragraph 6.1 of this Part X as if the entitlement had not been validly taken up.

Following the valid exercise of statutory withdrawal rights, application monies will be returned by post to relevant Qualifying Shareholders at their own risk and without interest to the address set out in the Provisional Allotment Letter and/or the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as applicable within 14 days of such exercise of statutory withdrawal rights. Interest earned on such monies will be retained for the benefit of the Company. The provisions of this paragraph 6.2 of this Part X are without prejudice to the statutory rights of Qualifying Shareholders. In such event, Qualifying Shareholders are advised to seek independent legal advice.

For further details, Shareholders should contact the Shareholder Helpline on +44 (0)371 664 0321 (calls to 0371 are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales). The Shareholder Helpline cannot provide advice on the merits of the Rights Issue nor give any financial, legal, tax or investment advice.

## **7. OVERSEAS SHAREHOLDERS**

This Prospectus has been approved by the FCA, being the competent authority in the United Kingdom. Accordingly, the making of the Rights Issue to persons resident in, or who are citizens of, or who have a

registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the United Kingdom wishing to take up rights under the Rights Issue to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this paragraph 7 of this Part X are intended as a general guide only and any Overseas Shareholder who is in doubt as to their position should consult their professional adviser without delay.

## **7.1 General**

**The distribution of this document or any other documents issued by the Company in connection with the Rights Issue and the making of the Rights Issue to persons who have registered addresses in, or who are located resident, or who are generally resident in, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom, or to persons who are agents or nominees of or are custodians, trustees or guardians for persons located or resident in countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to take up the Nil Paid Rights and/or offer of Fully Paid Rights. In particular, subject to certain very limited exceptions, this document or any other documents issued by the Company in connection with the Rights Issue should not be distributed, forwarded or transmitted into the United States or any other Excluded Territory.**

This paragraph 7 of this Part X sets out the restrictions applicable to Qualifying Shareholders who have registered addresses outside the United Kingdom, who are citizens or residents of countries other than the United Kingdom, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside the United Kingdom or who hold Ordinary Shares for the account or benefit of any such person.

New Ordinary Shares (nil paid) will be provisionally allotted to all Qualifying Shareholders, including Overseas Shareholders. However, Provisional Allotment Letters have not been, and will not be, sent to, and Nil Paid Rights will not be credited to CREST accounts of, Overseas Shareholders with registered addresses in the Excluded Territories except where the Company and the Sole Global Co-ordinator is satisfied that such action would not result in a contravention of any registration or other legal requirement in any such jurisdiction.

Receipt of this document and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter must be treated as sent for information purposes only and should not be copied or redistributed. No person who has received or receives a copy of this document and/or a Provisional Allotment Letter and/or who receives a credit of Nil Paid Rights to a stock account in CREST in any territory other than the United Kingdom may (a) treat the same as constituting an invitation or offer to them, nor (b) should they in any event use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST, in the relevant territory, unless (in the case of (a) or (b) above) such an invitation or offer could lawfully be made to them or the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST could lawfully be used or dealt with without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons who have received a copy of this document or a Provisional Allotment Letter or whose stock account in CREST is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in or into, any Excluded Territory. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such territory, or by their agent or nominee, they must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights in CREST unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person who does forward this document or a Provisional Allotment Letter in or into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 7 of this Part X.

Any person (including, without limitation, agents, nominees and trustees) outside the United Kingdom wishing to take up their rights under the Rights Issue must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this paragraph 7 of this Part X are intended as a general guide only and any Shareholder who is in any doubt as to their position should consult their professional advisers without delay.

The Company (after consultation with the Sole Global Co-ordinator (on behalf of the Underwriters)) may treat as invalid any exercise or purported exercise of Nil Paid Rights or any acceptance or purported acceptance of the offer of Fully Paid Rights or New Ordinary Shares which appears to the Company or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if, in the case of a Provisional Allotment Letter, it provides for an address for delivery of the share certificates in or, in the case of a credit of New Ordinary Shares in CREST, a CREST Member or CREST Sponsored Member whose registered address is in any of the Excluded Territories or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit or if the Directors or their agents believe that the same may violate applicable legal or regulatory requirements. The attention of U.S. persons and Qualifying Shareholders with registered addresses in the United States or holding Ordinary Shares on behalf of persons with such addresses is drawn to paragraph 7.3 of this Part X. The attention of Qualifying Shareholders with registered addresses in other Excluded Territories or holding Ordinary Shares on behalf of persons with such addresses is drawn to paragraph 7.5 of this Part X.

Despite any other provision of this document or the Provisional Allotment Letter, the Company reserves the right (after consultation with the Sole Global Co-ordinator) to permit any Qualifying Shareholder to take up their rights if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company is so satisfied, the Company will arrange for the relevant Qualifying Shareholder to be sent a Provisional Allotment Letter if they are a Qualifying Non-CREST Shareholder or, if they are a Qualifying CREST Shareholder, arrange for Nil Paid Rights to be credited to the relevant CREST stock account.

Those Qualifying Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 4.2 and 5.2 of this Part X.

The provisions of paragraph 6 of this Part X will apply to all Qualifying Shareholders with registered addresses in the Excluded Territories who do not or are unable to take up the New Ordinary Shares provisionally allotted to them. Accordingly, such Qualifying Shareholders will be treated as not having taken up their rights to New Ordinary Shares and the Underwriters will endeavour to procure, on behalf of such Qualifying Shareholders, subscribers for the New Ordinary Shares.

## **7.2 European Economic Area**

In relation to each Member State of the European Economic Area (each a **Relevant Member State**), an offer to the public of the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights may not be made in that Relevant Member State pursuant to the Rights Issue prior to the publication of a prospectus in relation to the New Ordinary Shares, the Nil Paid Rights and the Fully Paid Rights which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the first Relevant Member State, all in accordance with the EU Prospectus Regulation, except that an offer to the public in that Relevant Member State of such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a “qualified investor” as defined under the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the EU Prospectus Regulation), subject to obtaining the prior consent of the Sole Global Co-Ordinator for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights shall result in a requirement for the Company or the Underwriters to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation and each person who initially acquires any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Company or

the Underwriters that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

For the purposes of this provision, the expression an **offer to the public** in relation to any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights in any Member State means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights to be offered so as to enable an investor to decide to purchase or subscribe for any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129. In the case of any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, warranted and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the EU Prospectus Regulation and (a) the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the Sole Global Co-ordinator (on behalf of the Underwriters) has been obtained to each such proposed offer or resale; or (b) where New Ordinary Shares, or Nil Paid Rights or Fully Paid Rights have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Ordinary Shares, Nil Paid Rights or Fully Paid Rights to it is not treated under the EU Prospectus Regulation as having been made to such persons. The Company and the Underwriters and each of their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgements and agreement.

### 7.3 Canada

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters will not be qualified by prospectus for sale under the securities laws of any province or territory of Canada. None of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters may be offered, sold or distributed, directly or indirectly, in Canada or to residents of Canada, other than in compliance with procedures and documentation approved by the Company for establishing a valid prospectus exemption and permitting participation.

Any Qualifying Shareholder of the Company that is located or resident in Canada and wishes to participate in the Rights Issue must first obtain and review a copy of the Canadian Offering Memorandum, which consists of this document and a Canadian-specific supplement attached at the front (the **Canadian Wrapper**). Copies of the Canadian Offering Memorandum are available on request from the Company. Qualifying Non-CREST Shareholders in Canada will not be sent Provisional Allotment Letters and Qualifying CREST Shareholders in Canada will not have their CREST stock accounts credited with Nil Paid Rights until they have received the Canadian Wrapper.

The Underwriters may arrange for the offer of the New Ordinary Shares not taken up in the Rights Issue in Canada in the Provinces of Alberta, British Columbia, Ontario and Quebec, but only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the New Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document or the Canadian Offering Memorandum dated the same date as this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### 7.4 United States

Subject to certain exceptions, this document and the Provisional Allotment Letters are intended for use only in connection with offers and sales of New Ordinary Shares outside the United States and are not to be sent or

given to any person with a registered address, or who is resident or located in, the United States. Subject to certain exceptions, neither this document nor the Provisional Allotment Letters constitute or will constitute an offer, or an invitation to apply for, or an offer or invitation to acquire, any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights in the United States. Except in the limited circumstances described below, the Provisional Allotment Letters have not been and will not be, sent to, and the Nil Paid Rights have not been, and will not be, credited to the CREST account of, any Qualifying Shareholder with a registered address in the United States.

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, into or within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been approved, disapproved or recommended by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters or confirmed the accuracy or completeness or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Prospective investors are hereby notified that sellers of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares may be relying on the exemption from registration provisions under section 5 of the U.S. Securities Act provided by Rule 144A thereunder.

Accordingly, the Company is not extending the offer under the Rights Issue into the United States unless an exemption from the registration requirements of the U.S. Securities Act is available and, subject to certain very limited exceptions, none of this document and the Provisional Allotment Letter constitutes, or will constitute, or forms any offer or an invitation to apply for or an offer or an invitation to acquire or subscribe for any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States. Subject to certain very limited exceptions, neither this document nor a Provisional Allotment Letter will be sent to any Shareholder with a registered address in the United States. Subject to certain very limited exceptions, Provisional Allotment Letters or renunciations thereof sent from or postmarked in the United States will be deemed to be invalid and all persons subscribing for New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Notwithstanding the foregoing, the Nil Paid Rights may be offered and delivered to, and the Fully Paid Rights and the New Ordinary Shares may be offered to and acquired by, a limited number of Qualifying Shareholders whom the Company determines, in its sole discretion, are able, based on such procedures and certifications as it deems appropriate, to participate in the Rights Issue pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act (each a **Permitted U.S. Shareholder**). Any person in the United States who obtains a copy of this document or a Provisional Allotment Letter and who is not a Permitted U.S. Shareholder is required to disregard them.

Permitted U.S. Shareholders that satisfy the Company as to their status may exercise the Nil Paid Rights and the Fully Paid Rights by delivering a properly completed Provisional Allotment Letter to the Receiving Agent in accordance with the procedures set out in this document. Permitted U.S. Shareholders must also complete, execute and return to the Company an Investor Representation Letter as described in paragraph 8.4 of this Part X, and may be required to make certain certifications in the Provisional Allotment Letter for the Nil Paid Rights and the Fully Paid Rights. Overseas Shareholders who hold Ordinary Shares through a bank, a broker or other financial intermediary should procure that the relevant bank, broker or financial intermediary submits an Investor Representation Letter on their behalf. The Company has the discretion to refuse to accept any Provisional Allotment Letter that is incomplete, unexecuted or not accompanied by an executed Investor Representation Letter or any other required additional documentation.

Potential purchasers of the New Ordinary Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of such New Ordinary Shares. Until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the New Ordinary Shares, Nil Paid Rights or Fully Paid Rights within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the U.S. Securities Act. No representation has been, or will be, made by

the Company or the Underwriters as to the availability of Rule 144 under the U.S. Securities Act or any other exemption under the U.S. Securities Act or any state securities laws for the reoffer, pledge or transfer of the New Ordinary Shares.

For the purposes of the Rights Issue, the Company will be relying on an exemption from the registration requirements under the U.S. Securities Act for an offer and sale that do not involve a public offering in the United States. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not be deposited, or caused to be deposited, in any unrestricted depositary receipt facility in the United States. The Company is not subject to the periodic reporting requirements of the Exchange Act.

The Company and the Underwriters reserve the right to treat as invalid any Provisional Allotment Letter (or renunciation thereof) that appears to the Company and the Underwriters or their respective agents to have been executed in or dispatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Rights Issue, or which does not make the warranty set out in the Provisional Allotment Letter to the effect that the person accepting and/or renouncing the Provisional Allotment Letter does not have a registered address and is not otherwise located in the United States and is not acquiring or subscribing for the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States or where the Directors believe acceptance of such Provisional Allotment Letter may infringe applicable legal or regulatory requirements. The Company will not be bound to allot (on a non-provisional basis) or issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour a Provisional Allotment Letter or any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may be transferred or renounced. In addition, the Company and the Underwriters reserve the right to reject any MTM Instruction sent by or on behalf of any CREST Member with a registered address in the United States in respect of the Nil Paid Rights.

The provisions of paragraph 6.1 above of this Part X will apply to any rights not taken up. Accordingly, subject to certain exceptions, Shareholders with a registered address in the United States will be treated as non-exercising holders and the Underwriters will endeavour to procure, on behalf of such non-exercising holders, subscribers for the New Ordinary Shares.

## **7.5 Excluded Territories**

Due to restrictions under the securities laws of the Excluded Territories, and subject to certain exceptions, no Provisional Allotment Letters will be sent to, and no Nil Paid Rights or Fully Paid Rights will be credited to, a stock account in CREST of, persons with registered addresses, or who are resident or located, in the Excluded Territories and the Nil Paid Rights to which they are entitled will be sold if possible in accordance with the provisions of section 6.1 of this Part X. Subject to certain exceptions, the Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not be transferred or sold to, or renounced or delivered in, the Excluded Territories. No offer of New Ordinary Shares is being made by virtue of this document or the Provisional Allotment Letters into the Excluded Territories. Specific restrictions relating to certain jurisdictions are set out below.

### *(a) Abu Dhabi Global Market*

This document relates to an Exempt Offer in accordance with the Markets Rules of the Financial Services Regulatory Authority (the **FSRA**). This document is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The securities to which this document relates may be illiquid and/or subject to restrictions on their re-sale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

### *(b) Australia*

This document and the offer is only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (Cth) (**Australian Corporations Act**). This document is not a prospectus, product disclosure statement or any other form of formal “disclosure document” for the purposes of the Australian Corporations Act, and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian

Corporations Act. If you are in Australia, this document is made available to you provided you are a person to whom an offer of securities can be made without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act.

This document has not been and will not be lodged or registered with the Australian Securities and Investments Commission or ASX or any other regulatory body or agency in Australia.

The persons referred to in this document may not hold Australian financial services licences and may not be licensed to provide financial product advice in relation to the securities. No “cooling-off” regime will apply to an acquisition of any interest in the Company.

This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest in the Company is appropriate in light of your own financial circumstances or seek professional advice.

Any securities issued upon acceptance of the Offer may not be offered for sale or transferred to any person located in, or a resident of, Australia for a period of at least 12 months after the issue, except in circumstances where the person is a person to whom a disclosure document is not required to be given under Chapter 6D or of the Australian Corporations Act. Accordingly, each investor acknowledges these restrictions and, by applying for the securities under this document, gives an undertaking not to sell these securities (except in the circumstances referred to above) for 12 months after their issue.

*(c) Dubai International Financial Centre*

This document relates to an Exempt Offer in accordance with the Markets Offered Securities Rules of the Dubai Financial Services Authority (**DFSA**). This document is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The securities to which this document relates may be illiquid and/or subject to restrictions on their re-sale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

*(d) Singapore*

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. This Prospectus and any other document or material in connection with any offer or sale, or invitation for subscription or purchase, of the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may not be circulated or distributed, nor may the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to institutional investors pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore.

*(e) Switzerland*

The offering of the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**) because the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares are offered: (i) only to professional clients within the meaning of FinSA and/or (ii) to less than 500 retail clients within the meaning of FinSA and/or (iii) to investors acquiring the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to the value of at least CHF100,000 and (iv) the Nil Paid Rights, Fully Paid Rights and New Ordinary will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar document pursuant to FinSA or pursuant to the art. 652a or art. 1156 of the previous version of the Swiss Code of Obligations (in effect prior to the entry into effect of FinSA) or pursuant to the SIX Listing Rules, and no such prospectus has been or will be prepared for or in connection with the offering of the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares.

*(f) United Arab Emirates*

In accordance with the provisions of the United Arab Emirates (**UAE**) Securities and Commodities Authority’s (**SCA**) Promotion and Introduction Regulations, the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to which this document relates may only be promoted in the UAE as follows: without the prior approval

of SCA, only in so far as the promotion is directed to (i) the UAE federal government and local governments, governmental institutions and authorities; (ii) companies fully owned by any of the aforementioned; (iii) international bodies and organisations; (iv) entities licensed to engage in a commercial business in the UAE, provided that at least one of their stated objectives is to engage in investment business; (v) regulated asset managers acting under a client mandate and (vi) investors following a reverse enquiry; or with the prior approval of the SCA. Any approval of the SCA to the promotion of the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares in the UAE does not represent a recommendation to purchase or invest in the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares. The SCA has not verified the Prospectus or other documents in connection with the Rights Issue and the SCA may not be held liable for the accuracy or completeness of the information in the Prospectus. The Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective investors should conduct their own due diligence on the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

## **7.6 Other overseas territories**

Qualifying Shareholders in jurisdictions other than the United States or the other Excluded Territories may, subject to the laws of their relevant jurisdiction, take up the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares under the Rights Issue in accordance with the instructions set out in this document and, if relevant, the Provisional Allotment Letter. Each person to whom the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letter or the New Ordinary Shares are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares to have represented and agreed to the representations and warranties set out in this Part X.

Qualifying Shareholders who have registered addresses in or who are resident or located in, or who are citizens of, all countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

## **8. REPRESENTATIONS AND WARRANTIES RELATING TO OVERSEAS SHAREHOLDERS**

### **8.1 Qualifying Non-CREST Shareholders**

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction:

- (a) such person is not in the United States and is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares from within the United States;
- (b) such person is not in any of the other Excluded Territories or in any territory in which it is not otherwise unlawful to make or accept an offer to subscribe for New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it;
- (c) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within the Excluded Territories, and in particular such person is not accepting for the account or benefit of any person who is located in the United States unless, (i) the instruction to accept was received from a person outside the United States, and (ii) the person giving such instruction has confirmed that: (A) it has the authority to give such instruction, and (B) either (I) has investment discretion over such account or (II) is an investment company that is subscribing for the New Ordinary Shares in an "offshore transaction" within the meaning of Regulation S; and
- (d) such person is not subscribing for New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any other Excluded Territory or any other territory referred to in paragraph (b) above.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (1) appears to the Company and the Underwriters to have been executed in, or dispatched from, the United



States or any of the other Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement, (2) provides an address in the United States or any of the other Excluded Territories for delivery of definitive share certificates for New Ordinary Shares or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates, or (3) purports to exclude the warranty required by this paragraph 8.1 of this Part X.

## **8.2 Qualifying CREST Shareholders**

A Qualifying CREST Shareholder who makes a valid acceptance in accordance with the procedures set out in this Part X represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction:

- (a) such person is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, from within the United States, or otherwise located in the United States;
- (b) such person is not in any of the other Excluded Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire or subscribe for Nil Paid Rights, Fully Paid Rights or New Ordinary Shares;
- (c) such person is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within the United States, or any of the other Excluded Territories, or any of the other territories referred to in paragraph (b) above at the time the instruction to accept was given, and such person is not accepting for the account or benefit of any person who is located within the United States, unless: (i) the instruction to accept was received from someone outside the United States; and (ii) the person giving such instruction has confirmed that: (A) it has the authority to give such instruction, and (B) either (I) has investment discretion over such account or (II) is an investment manager or investment company that is subscribing for the New Ordinary Shares in an "offshore transaction" within the meaning of Regulation S; and
- (d) such person is not acquiring Nil Paid Rights, Fully Paid Rights or subscribing for New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares into the United States or any other Excluded Territory or any other territory referred to in paragraph (b) above.

The Company may treat as invalid any MTM Instruction which appears to the Company to have been dispatched from the United States, any of the other Excluded Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the Nil Paid Rights, Fully Paid Rights or subscribe for New Ordinary Shares, or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agent believes the same may violate any applicable legal or regulatory requirement or purports to exclude the warranty required by this paragraph 8 of this Part X.

## **8.3 Further representations applicable to Qualifying Shareholders outside the United States**

Each person or purchaser to whom the Nil Paid Rights, the Fully Paid Rights or the Provisional Allotment Letter are distributed, offered or sold, directly or through its direct or indirect nominee, will also be deemed by its subscription for, or purchase of, the New Ordinary Shares to represent, warrant and agree that:

- (a) it is, and the person, if any, for whose account or benefit it is acting is, outside the United States (within the meaning of Regulation S) at the time (1) it, or its direct or indirect nominee, receives the Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or New Ordinary Shares, (2) it, or its direct or indirect nominee, makes its subscription, or (3) in the case of a purchaser, the buy order for such securities is originated outside the United States;
- (b) it understands that the Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or New Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions on transfer;
- (c) if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act;

- (d) it has carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or New Ordinary Shares to any persons within the United States, nor will it do any of the foregoing;
- (e) it understands that the Company and the Underwriters and their affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and will not recognise any offer, sale, pledge or other transfer of the securities made other than in compliance with the above stated restrictions; and
- (f) if any of the representations or agreements made by it are no longer accurate or have not been complied with, it will immediately notify the Company and the Underwriters, and, if it is acquiring any Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or New Ordinary Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make such foregoing representations and agreements on behalf of each such account.

#### **8.4 Further representations applicable to Qualifying Shareholders in the United States**

Subject to certain very limited exceptions, each Permitted U.S. Shareholder that exercises its rights in respect of any Nil Paid Rights or Fully Paid Rights or otherwise acquires any New Ordinary Shares in the Rights Issue acknowledges, represents to and agrees with the Company and the Underwriters (and acknowledges that it may be required to execute an Investor Representation Letter to such effect), that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- (a) it is (1) a QIB as defined in Rule 144A; (2) acquiring the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares for its own account or for the account, with respect to which it has full investment discretion, of one or more QIBs with respect to whom it has the full power and authority to make, and does make, the representations and warranties set forth herein; (3) acquiring the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares for investment purposes, and not with a view to any resale or further distribution of such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares within the meaning of the U.S. federal securities laws; and (4) aware, and each beneficial owner of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares has been advised, that the offer and sale of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares to it or to such beneficial owner is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (b) it understands that the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the U.S. Securities Act and understands that no action has been taken in any jurisdiction (including the United States) by the Company or the Underwriters that would result in a public offering of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares or the possession, circulation or distribution of this document or any other material relating to the Company or the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in any jurisdiction where action for such purpose is required and that the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (1) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; (2) in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S; (3) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available); or (4) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. It further (i) understands that the New Ordinary Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares established or maintained by a depositary bank; (ii) acknowledges that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares; and (iii) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Nil Paid Rights,

the Fully Paid Rights or the New Ordinary Shares made other than in compliance with the above-stated restrictions;

- (c) it acknowledges that the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and understands that so long as New Ordinary Shares are “restricted securities”, no such New Ordinary Shares may be deposited into any unrestricted depository receipt facility established or maintained by a depository bank other than a restricted depository receipt facility, and that such New Ordinary Shares will not settle or trade through the facilities of The Depository Trust Company or any other U.S. exchange or clearing system;
- (d) it acknowledges that it has (1) conducted its own investigation and appraisal with respect to the New Ordinary Shares, the Company and the Acquisition and (2) received and reviewed all information, including a copy of this document, that it believes is necessary or appropriate in connection with its investment decision to purchase the New Ordinary Shares as contemplated hereby on the basis of its own independent investigation and appraisal of the business, financial condition, prospects, creditworthiness, status and affairs of the Company, the Nil Paid Rights, Fully Paid Rights and the New Ordinary Shares. It has made its own assessment concerning the relevant tax, legal and other economic considerations relevant to an investment in the Nil Paid Rights, Fully Paid Rights or the New Ordinary Shares. It has carefully read and reviewed a copy of this document. It acknowledges that neither the Company, the Underwriters nor any person representing the Company or the Underwriters has made any representation to it with respect to the Company or the offering or sale or exercise of any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares other than (in the case of the Company and its affiliates only) as set forth in the Prospectus, upon which it will rely solely in making its investment decision with respect to the Nil Paid Rights, Fully Paid Rights and such New Ordinary Shares. It has had access to and is relying exclusively on, such financial and other information (including the business, financial condition, prospects, creditworthiness, status and affairs of the Company) concerning the Company and the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares including, without limitation, the information noted above, as it has deemed necessary in connection with its own investment decision to exercise its Nil Paid Rights and/or take up the Fully Paid Rights or the New Ordinary Shares. It acknowledges that its investment decision is based upon its own judgment, due diligence and analysis and not upon any view expressed or information provided by or on behalf of the Underwriters or their respective affiliates. It acknowledges that it has not relied on any information contained in any research reports prepared by the Underwriters or any of their respective affiliates;
- (e) it acknowledges that the Company is not a reporting company under the Exchange Act;
- (f) it understands that the document has been prepared in accordance with UK format and style, which differs from U.S. format and style. In particular, but without limitation, the financial information contained in the Prospectus relating to the Rights Issue has been prepared in accordance with IFRS, and thus are not directly comparable to financial statements of U.S. companies prepared in accordance with U.S. generally accepted accounting principles;
- (g) it understands that there may be certain consequences under United States and other tax laws resulting from an investment in the Fully Paid Rights and the New Ordinary Shares and it has made such investigation and has consulted its own independent advisers or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws, generally, and the U.S. Securities Act, specifically;
- (h) it has held and will hold the document and any Provisional Allotment Letter that it has received or will receive in confidence, and it understands that the Prospectus and any Provisional Allotment Letter are solely for its use and that it has not duplicated, distributed, forwarded, transferred or otherwise transmitted such documents or any other presentational or other materials concerning the Rights Issue (including electronic copies thereof) to any persons within the United States, and it acknowledges and agrees that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by it within the United States;
- (i) it, and each other QIB, if any, for whose account it may subscribe for or acquire Nil Paid Rights, Fully Paid Rights or New Ordinary Shares, in the normal course of business, invests in or purchases securities similar to the Nil Paid Rights, Fully Paid Rights and the New Ordinary Shares, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits

and risks of purchasing or subscribing for any of the Nil Paid Rights, Fully Paid Rights and such New Ordinary Shares, fully understands the limitations on ownership and transfer and restriction on sales of the Nil Paid Rights, Fully Paid Rights and such New Ordinary Shares and is aware that it must bear the economic risk of an investment in its Nil Paid Rights, Fully Paid Rights or New Ordinary Shares for an indefinite period of time and is able to afford the complete loss of such investment and bear such risk for an indefinite period;

- (j) it acknowledges and agrees that it is not taking up or acquiring Nil Paid Rights, Fully Paid Rights or New Ordinary Shares as a result of any “general solicitation” or “general advertising” (as those terms are defined in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over the radio or television, or as a result of any seminar or meeting whose attendees have been invited by general solicitation or general advertising, are directed selling efforts (as such terms are defined in Regulation S under the U.S. Securities Act);
- (k) it understands and agrees that any Provisional Allotment Letter it has received or will receive in respect of the Rights Issue shall bear a legend substantially in the form below:

THE NIL PAID RIGHTS, THE FULLY PAID RIGHTS AND THE NEW ORDINARY SHARES OF THE COMPANY TO WHICH THIS PROVISIONAL ALLOTMENT LETTER RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER PROVINCE OR TERRITORY OF THE UNITED STATES. THE NIL PAID RIGHTS, THE FULLY PAID RIGHTS AND THE NEW ORDINARY SHARES MAY NOT, SUBJECT TO CERTAIN EXCEPTIONS, BE OFFERED, SOLD, TAKEN UP OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR ITS TERRITORIES OR POSSESSIONS.

- (l) it understands that the New Ordinary Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE **U.S. SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER PROVINCE OR TERRITORY OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT (A) TO THE COMPANY; (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) TO A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN AND IN COMPLIANCE WITH RULE 144A; OR (D) PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER PROVINCE OR TERRITORY OF THE UNITED STATES. BY ITS ACCEPTANCE OF THESE SECURITIES THE PURCHASER REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER (**QIB**) AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT AND THAT IT IS EITHER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER PURCHASERS WHO ARE QIBs AND AGREES THAT THE SECURITIES ARE NOT BEING ACQUIRED WITH A VIEW TO DISTRIBUTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THE SHARES REPRESENTED HEREBY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY WILL BE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144(A)(3) UNDER THE U.S. SECURITIES ACT AND FOR SO LONG AS SUCH SHARES ARE “RESTRICTED SECURITIES” (AS SO DEFINED) THE SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

- (m) it understands and acknowledges that the Company shall have no obligation to recognise any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein, and that the Company may make notation on its records or give instructions to

the Company's registrar and any transfer agent of the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in order to implement such restrictions;

- (n) it is aware and understands that an investment in the Fully Paid Rights and New Ordinary Shares involves a considerable degree of risk and that no agency of the United States or any state thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the New Ordinary Shares;
- (o) it represents that if, in the future, it offers, resells, pledges or otherwise transfers the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares, it shall notify such subsequent transferee of the transfer restrictions set out herein;
- (p) it understands and acknowledges that the Underwriters are assisting the Company in respect of the Rights Issue and that the Underwriters are acting solely for the Company and no one else in connection with the Rights Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe for or purchase any Fully Paid Rights or New Ordinary Shares nor providing advice to it in relation to the Company, the Rights Issue or the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares, and it has not relied and will not rely on the Underwriters nor any of their respective affiliates in connection with its analysis or decision to participate in the Rights Issue or any investigation that the Underwriters may have conducted with respect to the Company or the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares. Further, it waives any and all claims, actions, liabilities, damages or demands it may have against the Underwriters in respect of their engagement with the Company;
- (q) it is not an affiliate (as defined in rule 501(b) under the U.S. Securities Act) of the Company, and is not acting on behalf of an affiliate of the Company;
- (r) it understands that the terms and provisions of these representations and agreements shall inure to the benefit of and shall be enforceable by the Company, the Underwriters, and their respective successors and permitted assigns, and the terms and provisions hereof shall constitute its legal, valid and binding obligations and the legal, valid and binding obligations on its permitted successors in title, permitted assigns and permitted transferees and of any other person for whose account it is acting. It confirms that to the extent it is acquiring or purchasing the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares for the account of one or more other persons, it has been duly authorised to sign an Investor Representation Letter on their behalf and any other person for whose account they are acting;
- (s) it and any person acting on its behalf have all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- (t) it understands that the foregoing acknowledgements, representations, warranties, agreements and confirmations are required in connection with United States securities laws and that the Company, its affiliates and agents, the Underwriters and their respective affiliates are relying on the acknowledgements, representations, warranties, agreements and confirmations contained herein in order to comply with the U.S. Securities Act and U.S. state securities laws, and that the Company, its affiliates and agents, the Underwriters and their respective affiliates, and others are entitled to rely upon the truth and accuracy of the acknowledgements, representations, warranties, agreements and confirmations contained herein. It agrees that if any of the acknowledgements, representations, warranties, agreements and confirmations made herein are at any time no longer accurate, it will promptly notify the Company and the Underwriters in writing if any of the foregoing statements ceases to be true, and in any event prior to any attempted purchase of or subscription for, as applicable, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares, and in any event at any time prior to 17 February 2021. If it receives any New Ordinary Shares and has failed to return an executed copy of the Investor Representation Letter to the Company, it will be deemed to have made for the benefit of the Underwriters, the Company and their respective affiliates all of the acknowledgements, representations, warranties, agreements and confirmations contained therein. It irrevocably authorises the Company, its affiliates, the Underwriters and their respective affiliates to produce these representations and agreements or a copy thereof to any interested party in any administrative or legal proceeding, dispute or official enquiry with respect to the matters set forth herein. All representations, warranties, agreements and acknowledgements it has made or will make in any Investor Representation Letter shall survive the execution and delivery thereof;

- (u) it understands that the Investor Representation Letter is not a confirmation of a sale of New Ordinary Shares or the terms thereof, and that any such confirmation will be sent to it separately; and
- (v) it acknowledges and agrees that its purchase will be made pursuant to an Investor Representation Letter and the terms and conditions of the Rights Issue which is governed by English law as described in this document.

The Company, the Underwriters and their affiliates will rely on the truth and accuracy of the foregoing acknowledgements, representations, warranties, agreements and confirmations.

## **9. WAIVER**

The provisions of paragraphs 7 and 8 of this Part X and of any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholder(s) or on a general basis by the Company and the Sole Global Co-ordinator (on behalf of the Underwriters) in its absolute discretion. Subject to this, the provisions of paragraphs 7 and 8 of this Part X supersede any terms of the Rights Issue inconsistent herewith. References in paragraphs 7 and 8 of this Part X to Qualifying Shareholders shall include references to the person or persons executing a Provisional Allotment Letter and, in the event of more than one person executing a Provisional Allotment Letter, the provisions of paragraph 8.3 of this Part X shall apply to them jointly and to each of them.

## **10. TAXATION**

Information on taxation in the United Kingdom and the United States in relation to the Rights Issue is set out in paragraphs 16 and 17 (respectively) of Part XXIV: “*Additional Information*” of this document. The information contained in paragraph 16 of Part XXIV: “*Additional Information*” of this document is intended only as a general guide to the current tax position in the United Kingdom and the information contained in paragraph 17 of Part XXIV: “*Additional Information*” of this document is intended only as a general guide to the current tax position in the United States. Qualifying Shareholders in the United Kingdom and the United States should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.

## **11. TIMES AND DATES**

The Company shall, after consultation with its financial and legal advisers, be entitled to amend the dates on which Provisional Allotment Letters are dispatched or dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the Financial Conduct Authority and the London Stock Exchange and make an announcement issued via a Regulatory Information Service. Qualifying Shareholders may not receive any further written communication.

If a supplementary document is issued by the Company two days or fewer before the date specified in this document as the latest date for acceptance under the Rights Issue (or such later date as may be agreed between the Company and the Sole Global Co-ordinator (on behalf of the Underwriters)), the latest date of acceptance under the Rights Issue shall be extended to the date which is three Dealing Days after the date of issue of the supplementary document (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **12. EMPLOYEE SHARE PLANS**

The number of Ordinary Shares subject to awards or options outstanding under the Share Plans and the exercise price (if any) may be adjusted, in accordance with the rules of the relevant Share Plan, to take account of the issue of the New Ordinary Shares pursuant to the Rights Issue. Holders of awards or options under the Share Plans will be contacted separately and in due course with further information on how their options and awards may be affected by the Rights Issue.

## **13. GOVERNING LAW AND JURISDICTION**

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letter, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional

Allotment Letter, including (without limitation) disputes relating to any non-contractual obligations arising out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter. By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, where applicable, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART XI

### QUESTIONS AND ANSWERS ABOUT THE RIGHTS ISSUE

*The questions and answers set out in this Part XI are intended to be in general terms only and, as such, you should read Part X: “Terms and Conditions of the Rights Issue” of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, duly authorised under FSMA if you are resident in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.*

*This Part X deals with general questions relating to the Rights Issue and more specific questions relating to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 7 of Part X: “Terms and Conditions of the Rights Issue” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your rights. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part X: “Terms and Conditions of the Rights Issue” of this document for full details of what action you should take. If you are a CREST Sponsored Member, you should also consult your CREST Sponsor.*

*If you do not know whether you hold Existing Ordinary Shares in certificated form or in uncertificated form (that is, through CREST), please call the Shareholder Helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

#### 1. GENERAL

##### 1.1 What is a rights issue?

A rights issue is one way for companies to raise money by giving their existing shareholders a right to buy further shares for cash in proportion to their existing shareholdings.

This Rights Issue comprises an offer by the Company of 225,334,552 New Ordinary Shares at a price of 140.0 pence per New Ordinary Share. If you hold Existing Ordinary Shares on the Record Date, you will be a Qualifying Shareholder. Qualifying Shareholders (other than, subject to certain exceptions, those who have a registered address, or are resident in, the Excluded Territories) will be entitled to buy New Ordinary Shares under the Rights Issue. If you hold Existing Ordinary Shares in certificated form, your entitlement will be set out in your Provisional Allotment Letter.

The Rights Issue Price of 140.0 pence per New Ordinary Share represents a 43.2 per cent. discount to the Closing Price as derived from the Official List of 246.6 pence per Ordinary Share on 6 January 2021 (the last Business Day prior to the announcement of the Rights Issue). Because of this discount and while the market value of the Existing Ordinary Shares exceeds the Rights Issue Price, the right to buy the New Ordinary Shares is potentially valuable. The New Ordinary Shares, when fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, respectively.

The Rights Issue is on the basis of 2 New Ordinary Shares for every 5 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date.

If you are a Qualifying Shareholder other than, subject to certain exceptions, a Shareholder with a registered address, or resident, in any of the Excluded Territories, and you do not want to buy the New Ordinary Shares to which you are entitled, you can instead sell or transfer your rights (called Nil Paid Rights) to those New Ordinary Shares and receive the net proceeds, if any, of the sale or transfer in cash. This is referred to as dealing “nil paid.”

##### 1.2 What happens next?

The Provisional Allotment Letters are due to be dispatched on or about 1 February 2021 to Qualifying Non-CREST Shareholders and the Nil Paid Rights are due to be credited to the CREST stock accounts of Qualifying CREST Shareholders as soon as practicable after 8.00 a.m. on 2 February 2021.



## **2. ORDINARY SHARES IN CERTIFICATED FORM**

### **2.1 How do I know if I am eligible to participate in the Rights Issue?**

If you are a holder of Ordinary Shares and receive a Provisional Allotment Letter and do not, subject to certain exceptions, have a registered address in the Excluded Territories, then you should be eligible to acquire New Ordinary Shares under the Rights Issue (as long as you have not sold or otherwise transferred all of your Existing Ordinary Shares before 8.00 a.m. on 2 February 2021 (the time when the Existing Ordinary Shares are expected to be marked “ex-rights” by the London Stock Exchange), in which case you will need to follow the instructions on the front page of this document).

However, if you receive a Provisional Allotment Letter and you have a registered address in, or are a citizen, resident or national of, a country other than the United Kingdom, you must satisfy yourself as to the full observance of the applicable laws of such territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Receipt of this document or a Provisional Allotment Letter does not constitute an offer in those jurisdictions in which it would be illegal to make such an offer. Overseas Shareholders should refer to paragraph 7 of Part X: “*Terms and Conditions of the Rights Issue*” of this document for further details.

If you do not receive a Provisional Allotment Letter, and you do not hold your shares in CREST, this probably means you are not eligible to acquire any New Ordinary Shares. However, see the question in paragraph 2.4 of this Part XI.

### **2.2 What do I need to do in relation to the Rights Issue?**

If you hold your Existing Ordinary Shares in certificated form at the Record Date and, subject to certain exceptions, do not have a registered address in any of the Excluded Territories, you will be sent a Provisional Allotment Letter that shows:

- (a) how many Existing Ordinary Shares you held at the close of business on 27 January 2021 (the Record Date for the Rights Issue);
- (b) how many New Ordinary Shares you are entitled to buy; and
- (c) how much you need to pay if you want to take up your right to buy all the New Ordinary Shares provisionally allotted to you in full.

Subject to certain exceptions, if you have a registered address in the Excluded Territories, you will not receive a Provisional Allotment Letter.

### **2.3 What are my choices?**

- (a) *If you want to take up all of your rights in full*

If you want to take up all of your rights to acquire the New Ordinary Shares to which you are entitled, you can send the Provisional Allotment Letter, together with your cheque or banker’s draft for the full amount payable to “Link Market Services Limited Re TP ICAP Rights Issue” and crossed ‘A/C payee only’ by post or by hand (during normal business hours only) to the Receiving Agent, Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, to arrive by no later than 11.00 a.m. on 16 February 2021. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Provisional Allotment Letter. Full instructions are set out in Part X: “*Terms and Conditions of the Rights Issue*” of this document and will be set out in the Provisional Allotment Letter (if applicable). Please note third-party cheques may not be accepted other than building society cheques or banker’s drafts.

If payment is made by building society cheque (not being drawn on an account of the applicant) or a banker’s draft, the building society or bank must endorse on the back of the cheque or draft the applicant’s name and the number of an account held in the applicant’s name at the building society or bank, such endorsement being validated by a stamp and an authorised signature. The account name should be the same as that shown on the application.

You will be required to pay in full for all the rights you take up. A definitive share certificate will then be sent to you for the New Ordinary Shares that you take up. Your definitive share certificate for New Ordinary Shares is expected to be despatched to you by no later than 2 March 2021. You will need your Provisional Allotment Letter to be returned to you if you want to deal in your Nil Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick the appropriate box on the Provisional Allotment Letter.

*(b) If you do not want to take up your rights at all*

If you do not want to take up your rights, you do not need to do anything. If you do not return your Provisional Allotment Letter subscribing for the New Ordinary Shares to which you are entitled by 11.00 a.m. on 16 February 2021, the Company has made arrangements under which the Underwriters will try to find investors to take up your rights and the rights of others who have not taken up their rights. If the Underwriters do find investors who agree to pay a premium above the Rights Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of irrecoverable VAT), you will be sent a cheque for your share of the amount of that premium, provided that this is £5.00 or more. Cheques are expected to be despatched by no later than 2 March 2021 and will be sent to your existing address appearing on the Company's register of members (or to the first-named holder if you hold your Existing Ordinary Shares jointly). If the Underwriters cannot find investors who agree to pay a premium over the Rights Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment and any amounts of less than £5.00 will be aggregated and retained for the benefit of the Company. Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see paragraphs (d) and (e) below).

*(c) If you want to take up some but not all of your rights*

If you want to take up some, but not all, of your rights and to transfer some or all of those you do not want to take up, or you wish to transfer all of the Nil Paid Rights or (if appropriate) Fully Paid Rights, but to different persons, you should first apply to have your Provisional Allotment Letter split (unless you elect to sell all of your Nil Paid Rights or to effect a Cashless Take-up through the Special Dealing Service operated by Link Group) by completing Form X on page 4 of the Provisional Allotment Letter, and returning it by post or by hand (during normal business hours only) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom (so as to be received by 3.00 p.m. on 12 February 2021), together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. You should then deliver the split Provisional Allotment Letter representing the New Ordinary Shares that you wish to accept together with your cheque or banker's draft to the Receiving Agent (see paragraph (a)) to be received by 11.00 a.m. on 16 February 2021.

Alternatively, if you only want to take up some of your rights (but not sell some or all of the rest), you should tick Box B on page 1 of the Provisional Allotment Letter and write in the boxes opposite the number of New Ordinary Shares you wish to acquire and the amount payable (at 140.0 pence per New Ordinary Share). You should then sign and date Form X on the Provisional Allotment Letter and return it with a cheque or banker's draft in pounds sterling, in accordance with the provisions set out in the Provisional Allotment Letter. In this case the Provisional Allotment Letter and cheque or banker's draft must be received by 11.00 a.m. on 16 February 2021.

Further details are being set out in Part X: "*Terms and Conditions of the Rights Issue*" and will be set out in the Provisional Allotment Letter.

*(d) If you want to sell some of your rights*

If you want to sell some of your rights, you will first need to apply to have your Provisional Allotment Letter split (see paragraph (c) above). Please note that the ability to sell your rights is dependent on demand for such rights and that the price of Nil Paid Rights will fluctuate.

*(e) If you want to sell all of your rights*

If you want to sell all of your rights but do not wish to use the Special Dealing Service operated by Link Group, you should complete and sign Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire letter to your stockbroker, bank manager or other appropriate financial adviser or to the transferee (provided they are not in any of the Excluded Territories).

Please note that your ability to achieve a sale of your rights is dependent on the demand for such rights and that the price for the Nil Paid Rights may fluctuate. Please ensure, however, that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 16 February 2021.

## **2.4 If you want to use the Special Dealing Service operated by Link Group**

If you are an individual certificated shareholder (including legal representatives such as executors whose details have been registered with the Registrars) aged 18 or over (in the case of natural persons), who are resident in the United Kingdom (or any other country confirmed by Link Group in writing), you can use the Special Dealing Service operated by Link Group to either (i) sell all of your Nil Paid Rights or (ii) sell a sufficient number of Nil Paid Rights to raise money to take up the remainder of your rights (that is, effect a Cashless Take-up).

If you want to use the Special Dealing Service operated by Link Group to sell all of your Nil Paid Rights, you should tick Box C in Part 2 on page 1 of your Provisional Allotment Letter, complete, sign and date Part 3 on page 1 of your Provisional Allotment Letter and return it by post or by hand (during normal business hours) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom so as to be received by 11.00 a.m. on 11 February 2021.

If you wish to sell sufficient Rights represented by your Provisional Allotment Letter to enable you to take up your remaining entitlements using the Special Dealing Service (i.e., effect a Cashless Take-up), you should tick Box D in Part 2 on page 1 of your Provisional Allotment Letter, complete, sign and date Part 3 on page 1 of your Provisional Allotment Letter and return it by post or by hand (during normal business hours) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom (so as to be received by 11.00 a.m. on 11 February 2021).

Link Group will charge a commission of 1 per cent. of the gross proceeds of any sale of Nil Paid Rights effected using the Special Dealing Service, subject to a minimum of £25 per holding. Due to the minimum charge, the Special Dealing Service may not be cost effective for all Qualifying Non-CREST Shareholders. For example, in relation to Qualifying Non-CREST Shareholders selling a small holding, it is possible that in certain circumstances the administration charge may be more than the value of sale proceeds.

You should be aware that by returning your Provisional Allotment Letter and electing to use the Special Dealing Service, you will be deemed to be agreeing to the Special Dealing Service Terms and Conditions and make a legally binding agreement with the Registrar on those terms. The Special Dealing Service Terms and Conditions will be posted to you together with the Provisional Allotment Letter if you hold your Existing Ordinary Shares in certificated form. For the avoidance of doubt, TP ICAP shall have no responsibility or liability to Shareholders in respect of the Special Dealing Service which is solely the responsibility of Link Group.

Further details about the Special Dealing Service are set out in paragraph 4.3 of Part X: “*Terms and Conditions of the Rights Issue*” of this document.

## **2.5 What if I do not receive a Provisional Allotment Letter?**

If the Shareholders approve the Resolution at the General Meeting to be held on 1 February 2021, and you do not receive a Provisional Allotment Letter but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire New Ordinary Shares under the Rights Issue. However, some Qualifying Shareholders will not receive a Provisional Allotment Letter but may still be eligible to acquire New Ordinary Shares under the Rights Issue; namely:

- (a) Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at close of business on 27 January 2021 and who have converted them to certificated form;
- (b) Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares prior to the close of business on the Record Date but were not registered as the holders of those Existing Ordinary Shares at the close of business on 27 January 2021; and
- (c) certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter but think that you should have received one, please call Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **2.6 If I buy Ordinary Shares after the Record Date, will I be eligible to participate in the Rights Issue?**

If you bought Ordinary Shares after the Record Date but prior to 8.00 a.m. on 2 February 2021 (the time when the Existing Ordinary Shares are expected to start trading ex-rights on the London Stock Exchange), you may be eligible to participate in the Rights Issue.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Ordinary Shares at or after 8.00 a.m. on 2 February 2021 (the **Ex-Rights Date**), you will not be eligible to participate in the Rights Issue in respect of those Shares.

## **2.7 I hold my Existing Ordinary Shares in certificated form. If I take up my rights, when will I receive the certificate representing my New Ordinary Shares?**

If you take up your rights under the Rights Issue, share certificates for the New Ordinary Shares are expected to be posted by no later than 2 March 2021.

## **2.8 Can I change my decision to take up my rights?**

Once you have returned your Provisional Allotment Letter, as applicable, you cannot withdraw your application or change the number of New Ordinary Shares for which you have applied, except in the very limited circumstances set out at paragraph 6 of Part X: “*Terms and Conditions of the Rights Issue*” of this document.

## **2.9 I hold my Existing Ordinary Shares in certificated form. What if I want to sell the New Ordinary Shares for which I have paid?**

Provided the New Ordinary Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X (the form of renunciation) on the receipted Provisional Allotment Letter in accordance with the instructions set out in the Provisional Allotment Letter until 11.00 a.m. on 16 February 2021. After that time, you will be able to sell your New Ordinary Shares in the normal way. The share certificate relating to your New Ordinary Shares is expected to be dispatched to you by no later than 2 March 2021. Pending dispatch of the share certificate, instruments of transfer will be certified by the Registrar against the register.

## **3. ORDINARY SHARES IN CREST**

### **3.1 How do I know if I am eligible to participate in the Rights Issue?**

If you are a Qualifying CREST Shareholder (save as mentioned below), and on the assumption that the Rights Issue proceeds as planned, your CREST stock account will be credited with your entitlement to Nil Paid Rights on 2 February 2021. The stock account to be credited will be the account under the participant ID and member account ID that apply to your Ordinary Shares on the Record Date. The Nil Paid Rights and the Fully Paid Rights are expected to be enabled as soon as practicable after 8.00 a.m. on 2 February 2021. If you are a CREST Sponsored Member, you should consult your CREST Sponsor if you wish to check that your account has been credited with your entitlement to Nil Paid Rights. The CREST stock accounts of Overseas Shareholders with a registered address in the United States, Canada or any of the Excluded Territories will not be credited with Nil Paid Rights. Overseas Shareholders should refer to paragraph 7 of Part X: “*Terms and Conditions of the Rights Issue*” of this document.

### **3.2 How do I take up my rights using CREST?**

If you are a Qualifying CREST Shareholder, you should refer to paragraph 5 of Part X: “*Terms and Conditions of the Rights Issue*” of this document for details on how to take up and pay for your rights.

If you are a CREST Member you should ensure that an MTM Instruction has been inputted and has settled by 11.00 a.m. on 16 February 2021 in order to make a valid acceptance. If your Ordinary Shares are held by a nominee or you are a CREST Sponsored Member, you should speak directly to the agent who looks after your stock or your CREST Sponsor (as appropriate) who will be able to help you. If you have further questions, particularly of a technical nature regarding acceptance through CREST, you should call the CREST Service Desk on 0845 964 5648 (+44 845 964 5648 if you are calling from outside the United Kingdom).

**3.3 If I buy Ordinary Shares before 8.00 a.m. on 2 February 2021 (the date that the Ordinary Shares start trading ex-rights) will I be eligible to participate in the Rights Issue?**

If you buy Ordinary Shares before 8.00 a.m. on 2 February 2021, but are not registered as the holder of those Ordinary Shares on the Record Date, you may still be eligible to participate in the Rights Issue. Euroclear will raise claims in the normal manner in respect of your purchase and your Nil Paid Rights will be credited to your stock account(s) on settlement of those claims.

You will not be entitled to Nil Paid Rights in respect of any further Ordinary Shares acquired on or after the Ex-Rights Date.

**3.4 What should I do if I sell or transfer all or some of my Ordinary Shares before 8.00 a.m. on 2 February 2021 (the Ex-Rights Date)?**

You do not have to take any action except, where you sell or transfer all of your Ordinary Shares before the Ex-Rights Date, to send this document to the purchaser or transferee or to the stockbroker, bank or other financial adviser through whom you made the sale or transfer. A claim transaction in respect of that sale or transfer will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

**3.5 How many New Ordinary Shares am I entitled to acquire?**

Your stock account will be credited with Nil Paid Rights in respect of the number of New Ordinary Shares which you are entitled to acquire. You will be entitled to acquire 2 New Ordinary Shares for every 5 Existing Ordinary Shares you hold on the Record Date. You can also view the claim transactions in respect of purchases/sales effected after this date, but before the Ex-Rights Date. If you are a CREST Sponsored Member, you should consult your CREST Sponsor.

**3.6 If I take up my rights, when will New Ordinary Shares be credited to my CREST stock account(s)?**

If you take up your rights under the Rights Issue, it is expected that New Ordinary Shares will be credited to the CREST stock account in which you hold your Fully Paid Rights on 27 January 2021.

**4. FURTHER PROCEDURES FOR ORDINARY SHARES WHETHER IN CERTIFICATED FORM OR IN CREST**

**4.1 What if the number of New Ordinary Shares to which I am entitled is not a whole number? Am I entitled to fractions of New Ordinary Shares?**

Your entitlement to New Ordinary Shares will be calculated at the Record Date (other than in the case of those who bought Existing Ordinary Shares after the Record Date but prior to 8.00 a.m. on the Ex-Rights Date who are eligible to participate in the Rights Issue). If the result is not a whole number, you will not receive a fraction of a New Ordinary Share and your entitlement will be rounded down to the nearest whole number. The New Ordinary Shares representing the aggregated fractions that would otherwise be allotted to Qualifying Non-CREST Shareholders and Qualifying CREST Shareholders will be aggregated and, if possible, sold in the market nil paid for the benefit of the Company.

**4.2 Will I be taxed if I take up or sell my rights or if my rights are sold on my behalf?**

Certain information about taxation in the United Kingdom and the United States is contained in Part XXIV: “*Additional Information*” of this document. The information contained therein is intended as a general guide for Qualifying Shareholders as to the current tax position in the United Kingdom and the United States and Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom or the United States, you should consult an appropriate professional adviser as soon as possible.

**4.3 I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?**

If you do not want to buy the New Ordinary Shares being offered to you under the Rights Issue, you can instead sell or transfer your Nil Paid Rights to subscribe for those New Ordinary Shares and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing “nil paid.” This means that, during the Rights Issue offer period, you can either purchase Ordinary Shares (which will not carry any entitlement to

participate in the Rights Issue) or you can trade in the Nil Paid Rights during the nil paid dealing period (between 8.00 a.m. on 2 February 2021 and 11.00 a.m. on 16 February 2021), subject to demand and market conditions. Please note that your ability to sell your rights is dependent on demand for such rights and that the price of the Nil Paid Rights will fluctuate.

If you wish to sell or transfer all or some of your Nil Paid Rights and you hold your Existing Ordinary Shares in certificated form, you will need to complete Form X (the form of renunciation) of the Provisional Allotment Letter and send it to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, to be forwarded to the purchaser or transferee.

The Company has engaged Link Group to make available its Special Dealing Service to enable Qualifying Non-CREST Shareholders (who are individuals (including legal representatives such as executors whose details have been registered with the Registrars) aged 18 or over (in the case of natural persons), who are resident in the EEA (or any other country confirmed by Link Group in writing)) to either (a) sell all of the Nil Paid Rights to which they are entitled or (b) to sell sufficient Nil Paid Rights represented by the Provisional Allotment Letter to enable them to take up their remaining entitlements (known as a Cashless Take-up). Further information about the Special Dealing Service is set out in paragraph 4.3 (*Special Dealing Service*) of Part X and the Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders together with the Provisional Allotment Letter. For the avoidance of doubt, the Company accepts (and it is a term of the Rights Issue that it shall have) no responsibility or liability whatsoever to Shareholders for or in respect of the Special Dealing Service operated by Link Group and, to the fullest extent permitted by law, disclaims any duty, liability or responsibility whatsoever (whether direct or indirect and whether arising in contract, tort, under statute or otherwise) in respect of such service or its operation.

If you buy Nil Paid Rights, you are buying an entitlement to take up the New Ordinary Shares, subject to your paying for them in accordance with the terms of the Rights Issue. Any seller of Nil Paid Rights who holds his or her Ordinary Shares in certificated form will need to forward to you his or her Provisional Allotment Letter (with Form X completed) for you to complete and return, with your cheque, by 11.00 a.m. on 16 February 2021, in accordance with the instructions in the Provisional Allotment Letter.

Qualifying CREST Shareholders and, subject to dematerialisation of their Nil Paid Rights as set out in the Provisional Allotment Letter, Qualifying Non-CREST Shareholders who are CREST Members or CREST Sponsored Members can transfer Nil Paid Rights, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST. Please consult your CREST Sponsor or stockbroker, bank or other appropriate financial adviser for further details.

#### **4.4 What should I do if I live outside the United Kingdom?**

Whilst you have an entitlement to participate in the Rights Issue, your ability to take up or sell rights to New Ordinary Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your rights. Shareholders with registered addresses, or who are resident or located, in the United States or any of the other Excluded Territories are, subject to certain very limited exceptions, not eligible to participate in the Rights Issue. Shareholders with registered addresses, or who are resident or located, in the United States who are QIBs may be able to subscribe for New Ordinary Shares in the Rights Issue. Your attention is drawn to the information in paragraph 7 of Part X: “*Terms and Conditions of the Rights Issue*” of this document.

The Company has made arrangements under which the Underwriters will try to find investors to take up your rights and those of other Shareholders who have not taken up their rights. If the Underwriters do find investors who agree to pay a premium above the Rights Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax (VAT)), you will be sent a cheque for your share of the amount of that premium, provided that this is £5.00 or more. Cheques are expected to be dispatched by no later than 2 March 2021 and will be sent to your address appearing on the Company’s register of members (or to the first-named holder if you hold your shares jointly). If the Underwriters cannot find investors who agree to pay a premium over the Rights Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment and any such amount of less than £5.00 will be retained for the benefit of the Company.

#### **4.5 How do I transfer my rights into the CREST system?**

If you are a Qualifying Non-CREST Shareholder, but are a CREST Member and want your New Ordinary Shares to be in uncertificated form, you should complete Form X (the form of renunciation) and the CREST

Deposit Form (both on the Provisional Allotment Letter), and ensure they are delivered to the Receiving Agent to be received by 3.00 p.m. on 11 February 2021 at the latest. CREST Sponsored Members should arrange for their CREST Sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to paragraph 5.2 of Part X: “*Terms and Conditions of the Rights Issue*” of this document for details on how to pay for the New Ordinary Shares.

#### **4.6 Will the Rights Issue affect any future dividends the Company pays?**

Following completion of the Rights Issue, any future dividend payments will be adjusted for the Rights Issue, taking into account the issued share capital of the Company as enlarged by the New Ordinary Shares.

#### **4.7 What should I do if I think my holding of Ordinary Shares is incorrect?**

If you have recently bought or sold Existing Ordinary Shares, your transaction may not be entered on the register of members of the Company in time to appear on the register at the Record Date. If you are concerned about the figure in the Provisional Allotment Letter or otherwise concerned that your holding of shares is incorrect, please call the Shareholder Helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

#### **4.8 What if I hold options and/or awards under any of TP ICAP’s Share Plans?**

Outstanding options or awards under the Share Plans may be adjusted to take into account the Rights Issue. Holders of options and/or awards under the relevant Share Plans will be contacted separately in relation to this.

## PART XII

### BUSINESS OVERVIEW OF THE TP ICAP GROUP

#### 1. INTRODUCTION

The TP ICAP Group operates at the centre of global wholesale OTC and exchange-traded markets, providing both data and execution services. The TP ICAP Group provides broking services, including facilitating price discovery and execution, to counterparties operating in the world's major wholesale OTC and exchange-traded financial and commodity markets. The TP ICAP Group is active across all core financial, energy and commodities asset classes, facilitating the flow of liquidity around the world and contributing to economic growth and financial stability. The TP ICAP Group provides an important service to its clients by enabling them to trade a wide range of financial, energy and commodities products in numerous markets and regions. These trades are often bespoke in nature, complex and of a high nominal value, with the TP ICAP Group's brokers having access to deep pools of liquidity. The TP ICAP Group's broking activities require it to act as an intermediary between buyers and sellers of complex financial products, enabling them to trade efficiently and effectively. The TP ICAP Group's business model is focused on providing an intermediation service to its clients, which can be provided without actively taking market risk.

By seeking to act as a trusted partner to its clients, the TP ICAP Group enables them to transact their business with confidence.

The TP ICAP Group also provides independent data to participants in the financial, energy and commodities markets, including live and historical pricing content, as well as advanced valuation and risk analytics.

The TP ICAP Group's business is organised into three geographic reporting segments, EMEA; the Americas; and Asia Pacific. The TP ICAP Group operates through five divisions (four of which are client-facing):

- *Global Broking*: Global Broking accounted for 67.9 per cent. of the TP ICAP Group's revenue and 79.2 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The TP ICAP Group's Global Broking division provides brokerage and execution services to a number of markets and asset classes, including: Rates (derivative products which facilitate the management of interest rate risk), FX and Money Markets (treasury products, foreign exchange options, and cash and deposits), Emerging Markets (local market products, including emerging market bonds), Equities (equity derivative products and depositary receipts) and Credit Products (corporate bonds);
- *Energy & Commodities*: Energy & Commodities accounted for 20.8 per cent. of the TP ICAP Group's revenue and 16.5 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Energy & Commodities division operates in the oil, gas, power, renewables, precious and non-precious metals, soft commodities and coal markets for a range of clients including banks, corporates, physical commodity trading companies, asset managers and hedge funds;
- *Institutional Services*: Institutional Services accounted for 4.1 per cent. of the TP ICAP Group's revenue and 1.1 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Institutional Services division provides agency execution services in a range of financial products to buy-side institutions such as hedge funds, asset managers and corporates;
- *Data & Analytics*: Data & Analytics accounted for 7.4 per cent. of the TP ICAP Group's revenue and 21.1 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Data & Analytics division is a leading provider of scarce OTC data and neutral pricing information, with more than 1,000 clients and a global sales presence. Data & Analytics clients include traders, middle and back office personnel, across banks and buy-side institutions. Use cases include price and liquidity discovery, portfolio valuation, and fulfilment of regulatory obligations. Recurring subscription-based revenue comprised more than approximately 94 per cent. of total Data & Analytics revenues in 2019; and
- *Corporate Centre*: The TP ICAP Group's Corporate Centre division provides support staff and infrastructure to the TP ICAP Group's client-facing divisions, including technology, compliance, risk, finance, HR, legal and other essential corporate functions. The Corporate Centre division does not generate revenue but is used to eliminate inter-divisional revenue.



Within the TP ICAP Group's client-facing divisions, the TP ICAP Group operates a global portfolio of brands, each with a separate and distinct client identity and offering, including:



## 2. HISTORY

The TP ICAP 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 M.W. Marshall and Co. merged with Prebon Yamane to form Prebon Marshall Yamane.

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. 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.

In 2004, Collins Stewart Tullett plc acquired Prebon Marshall Yamane and integrated the two interdealer broker businesses to form Tullett Prebon.

In 2005, Tullett Prebon entered into a joint venture with Shanghai Pudong Development Bank to establish the first money brokerage company in the People's Republic of China, Tullett Prebon SITICO (China) Limited (**TP SITICO**). TP SITICO brokers domestic and overseas foreign exchange market transactions, money market transactions, bond market transactions and derivative transactions as well as other deals licensed by the China Banking Regulatory Commission.

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.

Since December 2006, the TP ICAP Group has continued to acquire businesses to extend its product and geographic coverage, including the 2008 acquisition of oil products brokers Primex and Aspen, both based in London. The TP ICAP Group also acquired Convenção, an interdealer broker based in Brazil, in 2011, followed by the 2012 acquisition of Chapdelaine & Co., a New York based municipal bonds broker.

Since 2012, the TP ICAP Group has further grown as follows:

- In November 2014, the TP ICAP Group acquired PVM Oil Associates Limited and its subsidiaries (**PVM**), a leading independent broker of oil-related trading instruments. PVM, which is focused entirely on energy products. The acquisition increased the scale of the TP ICAP Group's activities in the energy sector, particularly in Asia Pacific and the United States and gave the TP ICAP 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.

- During 2015, the TP ICAP Group expanded its broking activities in North America through the acquisition in January 2015 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 2015 of MOAB Oil, Inc., a leading independent broker of physical and financial trading instruments in the energy markets.
- On 30 December 2016, the TP ICAP Group completed the acquisition of IGBB, including:
  - ICAP's three regionally managed hybrid voice broking and information services businesses in EMEA, the Americas and Asia Pacific, including all e-trading products and services developed by ICAP's e-Commerce team (including Fusion);
  - ICAP's 42.8 per cent. economic interest in iSwap Limited, a global electronic trading platform for EUR, USD, and GBP interest rate swaps; 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),

but excluding ICAP plc's oil broking business, which was sold on 16 December 2016 to INTL FCStone Limited in connection with the terms of the Competition and Markets Authority's approval of the IGBB acquisition.

- On 30 January 2017, the TP ICAP Group acquired Burton Taylor International Consulting LLC, an information business that provides data and insight across key industries, including financial services, media and software. Its range of reports covers financial market data, risk, exchange services, media intelligence and public relations.
- On 20 November 2017, the TP ICAP Group acquired Coex Partners Limited (**Coex**), an independent agency broker with offices in London, Paris and New York. It was founded in 2014 and at the date of acquisition had 55 brokers. Coex provides trade and execution services in listed derivatives and OTC foreign exchange to hedge funds, asset managers and other clients.
- On 8 January 2018, the TP ICAP Group acquired SCS Commodities Corp (**SCS**), a U.S. energy broker with expertise in crude oil futures, soft commodities, petroleum and refined products, natural gas options and crude oil options. At the date of acquisition, SCS had 26 brokers who provide clients with continuous coverage of energy markets around the world including pre-trade intelligence and execution expertise of high volume trades, including blocks, inter-commodity spreads and complex option strategies.
- On 2 November 2018, the TP ICAP Group acquired Axiom Commodity Group (**Axiom**), a U.S. energy broker which specialises in crude oil, refined oil products, ethanol and physical grains. Axiom is headquartered in Houston, Texas, and has an office in Chicago. Axiom had 22 brokers at the date of acquisition.
- On 28 June 2019, the TP ICAP Group entered into a joint venture in China with Enmore Investment Group. From 2 September 2019, the joint venture has offered brokerage services in iron ore, coal, LPG and naphtha.
- On 23 December 2019, TP ICAP announced its intention to reorganise the TP ICAP Group's international corporate structure by the establishment of a new holding company in Jersey, New TP ICAP, by means of the Scheme. The Scheme Circular summarising the Redomiciliation has been published by TP ICAP and posted to shareholders on the date of this Prospectus and a separate prospectus has also been published by New TP ICAP today on the date of this Prospectus. If the Scheme becomes effective, TP ICAP's existing share capital will be cancelled and Shareholders will receive one New TP ICAP Ordinary Share for each Ordinary Share (including any New Ordinary Share) held as at the date of such cancellation. The Redomiciliation is expected to create a more capital efficient corporate structure that is expected to provide greater financial flexibility. The Redomiciliation is expected to complete in early 2021.
- On 31 July 2020, the TP ICAP Group completed its acquisition of Louis Capital Markets and MidCap Partners (collectively **Louis Capital**), a private brokerage group specialising in equities and fixed income, primarily based in Europe but with offices in New York, Hong Kong and Tel Aviv.

### 3. STRENGTHS

The Directors believe that the TP ICAP Group's businesses continue to benefit from a strong competitive position and that its principal strengths are as follows.

### **3.1 Quality of broking service**

The TP ICAP Group aims to provide exceptional client service, liquidity and efficient pricing enabling clients to achieve the outcomes they desire. 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. The TP ICAP Group seeks to regularly adapt its offering, to better suit the evolving requirements of its global client base. The TP ICAP Group's people are key to its success, and the Directors believe that their relationships and expertise set the TP ICAP Group apart from its competitors. Furthermore, the deep pools of liquidity to which TP ICAP Group has access enable its brokers to provide efficient execution services at competitive prices for its clients.

The TP ICAP Group uses its technological capabilities to build advanced platform technologies and analytical tools and to provide its clients with a wide choice of ways to transact with the TP ICAP Group combined with greater efficiency and ease.

### **3.2 Breadth of product and geographic coverage**

The TP ICAP Group has broking expertise across the main financial asset classes that are traded in the OTC markets, and also has a significant presence in broking physical energy and commodities and related financial instruments. The TP ICAP Group is a member of major derivatives exchanges and offers broking services in listed and exchange-traded derivatives. As markets evolve and new financial instruments are introduced, the TP ICAP Group has demonstrated its ability to adapt its broking offering to facilitate client trading activity in those instruments. The TP ICAP Group is able to service its clients across the Americas, EMEA and Asia Pacific, operating in 26 countries as at the date of this Prospectus.

### **3.3 Variety of execution methods**

As the world's largest inter-dealer broker by revenue in 2019 (based on the TP ICAP Group's assessment by reference to publicly available data), with a weighted average market share of 40 per cent., the TP ICAP Group offers a broad range of voice, hybrid and pure electronic solutions. The TP ICAP Group continues to look for new ways to innovate across its four client-facing business divisions to develop the services it offers in response to changing client requirements.

The TP ICAP Group offers voice broking services for those clients and products to which this service is suited. It also offers and continues to develop hybrid execution protocols for clients and products where this is appropriate. These include electronic functionalities which the TP ICAP Group seeks to continually develop with the objective to enrich clients' experience, optimise liquidity provision and improve client workflows. In 2018, the TP ICAP Group successfully deployed volume matching execution protocols to new products globally, including SGD Swaps, NZD Electricity Auctions and U.S. Treasuries. The TP ICAP Group offers pure electronic execution protocols and the TP ICAP Group's activity in this area increased overall during 2018 and 2019.

The TP ICAP Group provides clients globally with post-trade risk mitigation. Matchbook improves the efficiency of clients' portfolios and reduces their risk exposures. Matchbook contains a forward-rate agreement and non-deliverable forwards (NDFs) matching algorithm that optimises client portfolios to reduce fixing risk exposures. This service is a post-trade solution that is complementary to the broking services of the TP ICAP Group. NDFs refer to cash-settled derivative contracts whereby two parties agree to exchange cash at a given price or rate on a future date. The parties involved establish a settlement between the leading spot rate or price and the contracted NDF rate or price. The notional amount of an NDF is never exchanged.

The TP ICAP Group operates a number of Onshored MiFID and MiFID II-compliant venues in the UK and EMEA. It also operates Swap Execution Facilities in the United States that meet the requirements of the Dodd Frank Act.

As a result of the continuing investment that is being made in these execution protocols, platforms, venues and associated infrastructure, the Directors believe that the TP ICAP 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 evolving client preferences and needs, regulatory reforms, and technological developments of these markets.

### **3.4 Limited exposure to market and credit risk**

The TP ICAP Group's business model is based on earning brokerage commissions from providing intermediation services to clients, enabling them to trade efficiently and effectively. This service can be

provided without actively taking market risk. The TP ICAP Group does not take trading risk and does not assume proprietary trading positions.

The majority of the TP ICAP Group's revenue is derived from Name Passing broking ("*Business Overview—Broking business models*" below) where the TP ICAP Group's exposure to credit risk is limited to the client failing to pay the brokerage commission charged. The TP ICAP Group's exposure to credit and market risk from its Matched Principal and Executing Broker activities is short-term in nature (most trades settle one to two days after execution) and the risk is contingent in nature—in the event of client default, the TP ICAP Group would only suffer loss if the value of the underlying financial instrument had moved adversely in that time.

The TP ICAP Group believes its exposure to Matched Principal settlement risk is minimal as the TP ICAP Group seeks to effect settlement on a delivery-versus-payment basis where possible.

### **3.5 Quality of Data & Analytics**

The TP ICAP Group considers that it has a competitive advantage as the provider of proprietary OTC pricing data from the largest inter-dealer broker, by revenue in 2019, in the world (based on the TP ICAP Group's assessment by reference to publicly available data). The TP ICAP Group's Data & Analytics division provides unique OTC data products to enable clients to analyse, trade, record and risk manage their portfolios and financial exposures. The TP ICAP Group intends to continue to invest in its Data & Analytics offering.

The TP ICAP Group derives attractive subscription-based revenues from its Data & Analytics business. The client base is somewhat broader than for the broking businesses and includes buy-side asset owners and managers, who use TP ICAP Group's data and analytics products for various use cases, such as portfolio and security valuation, risk management, and fulfilment of compliance and regulatory requirements.

### **3.6 Strong underlying cash generation and prudent financial structure**

The TP ICAP Group's business has strong underlying cash flow generation and, in the two years since the completion of the acquisition of IGBB, a good track record of converting its underlying operating profit into underlying operating cash flow.

The TP ICAP Group has a conservative approach to its financial structure. Of the TP ICAP Group's total interest bearing loans and borrowings of £770 million as at 30 September 2020, £687 million was in the form of the EMTN Notes maturing in 2024 and 2026.

At the date of this document, the remainder is financed through the TP ICAP Group's £270 million revolving credit facility (the **Revolving Credit Facility**), which has a final maturity of 19 December 2023, and through the TP ICAP Group's approximately £73 million (JPY10 billion) revolving credit facility with Tokyo Tanshi (as defined herein), which has a current maturity of 27 August 2022, subject to an extension option whereby on every six month anniversary, and subject to both parties agreement, the final maturity date may be extended a further six months. For further information on the TP ICAP Group's facilities, see Part XXIV: "*Additional Information—Banking Facilities*."

The TP ICAP 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 TP ICAP Group's bankers and settlement agents. The TP ICAP Group's cash, cash equivalents and short-term financial assets as at 30 September 2020 totalled £71,614 million.

### **3.7 Strong underlying operating profit margin**

The underlying operating profit margin percentage of the TP ICAP Group for the year ended 31 December 2019 was 15.2 per cent. (calculated on the basis of underlying operating profit of £279 million divided by revenue of £1,833 million for this period, and expressed as a percentage), and for the year ended 31 December 2018 was 15.7 per cent. (calculated on the basis of underlying operating profit of £276 million divided by revenue of £1,763 million for this period, and expressed as a percentage).

The underlying operating profit margin percentage of the TP ICAP Group for the nine months ended 30 September 2020 was 15.8 per cent. (calculated on the basis of underlying operating profit of £218 million divided by revenue of £1,378 million for this period, and expressed as a percentage), and for the nine months ended 30 September 2019 was 16.7 per cent. (calculated on the basis of underlying operating profit of £234 million divided by revenue of £1,400 million for this period, and expressed as a percentage).

## 4. KEY MARKET TRENDS

### 4.1 Credit market

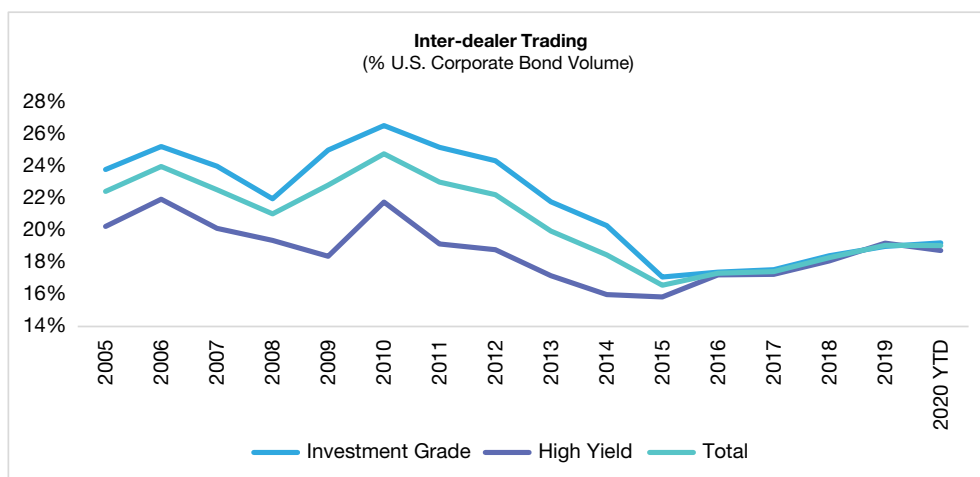
Regulation implemented following the 2008 global financial crisis prompted behavioural changes that have significantly impacted global market structures, particularly in the U.S. and Europe. Prior to the 2008 financial crisis, dealers used their balance sheets to hold inventories of long and short bond positions, allowing them to provide immediate liquidity to asset managers that wanted to trade a particular security.

Following the 2008 global financial crisis, changes to regulatory capital rules, including Basel III and The Volcker Rule (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), which went into effect in 2014, have made it more difficult and expensive for banks to use their balance sheets to hold illiquid positions. As a result, dealers have provided significantly less liquidity since 2008, as illustrated by the diagram below, increasing search costs for the buy-side for trading a particular security or otherwise altering portfolio exposure. Dealers now often behave more like agents, rather than as principals, in the market, which results in higher search costs for the buy-side. This has been one of the factors that has driven buy-side trades to electronic platforms, which make it easier to send out multiple electronic requests for quotes (**RFQs**) and to trade algorithmically. The diagram below reflects dealer inventory of U.S. corporate bonds for the period from 2001 to 2019.



Source: U.S. Federal Reserve

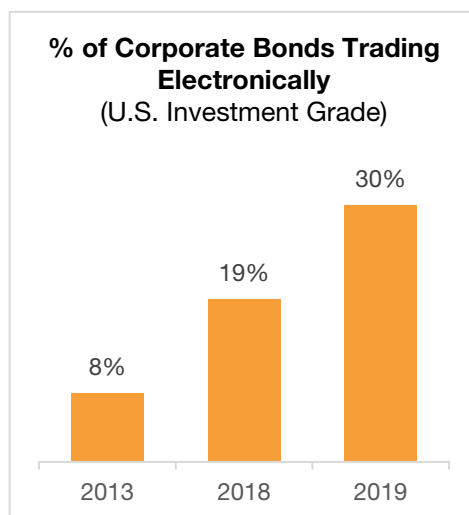
Because dealers now provide less liquidity to the buy-side and hold less inventory, dealers also trade less with other dealers, as illustrated by the following diagram.



Source: FINRA Fact Book

Electronic trading platforms have been able to provide greater search efficiency for buy-side traders and have benefited from MiFID II best execution requirements, by being able to offer transactions via electronic

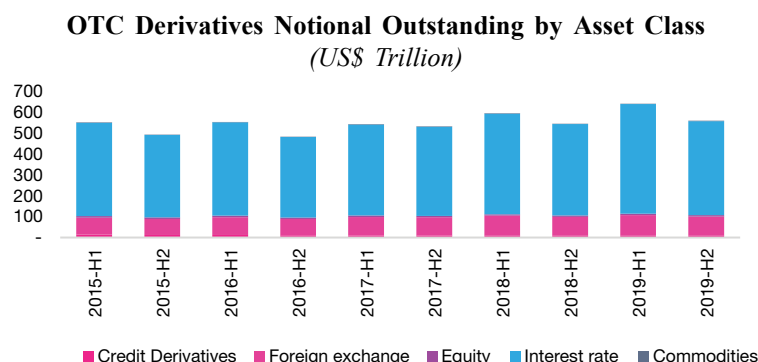
platforms that provide clear audit trails throughout the process, from pre-trade to post-trade fund allocation. The chart below shows the increase in electronic trading of corporate bonds.



Source: SIFMA, *Electronic Trading Market Structure Primer 2019*

## 4.2 Rates market

Rates is the largest overall asset class in the world. The Rates asset class comprises government bonds (with U.S. Treasuries being the largest segment) and interest rate derivatives. OTC interest rate derivatives are the largest derivatives asset class, in terms of volume traded and significantly larger than FX derivatives, according to the Bank for International Settlements—April 2019 Triennial Survey.

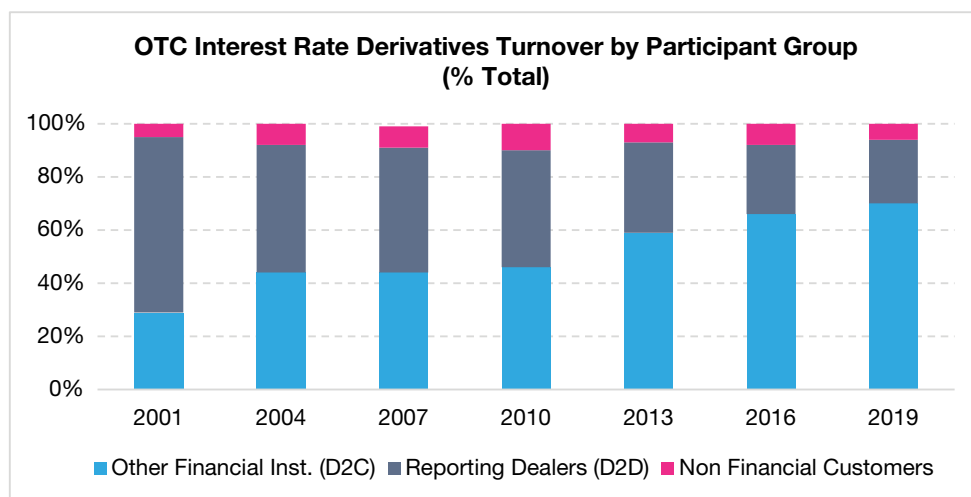


Source: BIS

In response to the 2008 global financial crisis, the G20 countries agreed to a financial regulatory reform agenda covering the OTC derivatives markets. One objective of these reforms was to decrease the potential systemic risk posed by global derivatives markets. Two of the key tools for reducing risk posed by OTC derivatives markets to the wider financial system were the introduction of (i) margin requirements for certain non-centrally cleared derivatives (the Uncleared Margin Rules, or UMR) and (ii) mandatory central counterparty clearing for certain derivatives between different categories of counterparties. For additional information on the UMR, please see *Part XIV: “Regulatory Overview—Global Derivatives Markets Reform.”*

As a result of the central clearing mandate, OTC derivatives trading has gained market share compared to exchange-traded derivatives. OTC derivatives provide a level of customisation that is not available in the exchange-traded market, and clearing requirements for OTC trades have removed counterparty credit risk, which can be material in longer-dated swaps. MiFID II’s best execution requirements for buy-side firms have also encouraged electronic trading of interest rate products, including interest rate swaps.

With central clearing and electronic trading having a particularly strong impact on the D2C segment of interest derivatives trading, D2C transaction volume has grown materially faster than D2D activity, which has been relatively less impacted by the clearing mandate. The chart below provides a breakdown of interest rate derivative turnover by market participant grouping from 2001 to 2019 and shows the proportional growth of D2C trades over that period.



Source: BIS

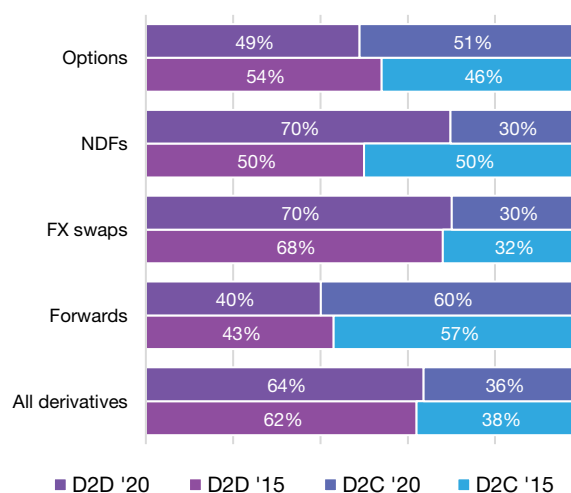
The growth in D2C electronic penetration reinforces the impact of clearing and has resulted in margin compression for dealers. Additionally, the limited number of D2C platforms having substantial buy-side connectivity, currently limited to two key players, reinforces the pricing pressure for dealers.

### 4.3 FX derivatives market

The FX derivatives market is dominated by OTC trading.

Because FX products were not made subject to the G20 central counterparty clearing mandates as was the case for Rates products, there has been limited regulatory impact on the overall share of D2C and D2D trading within total FX derivatives activity.

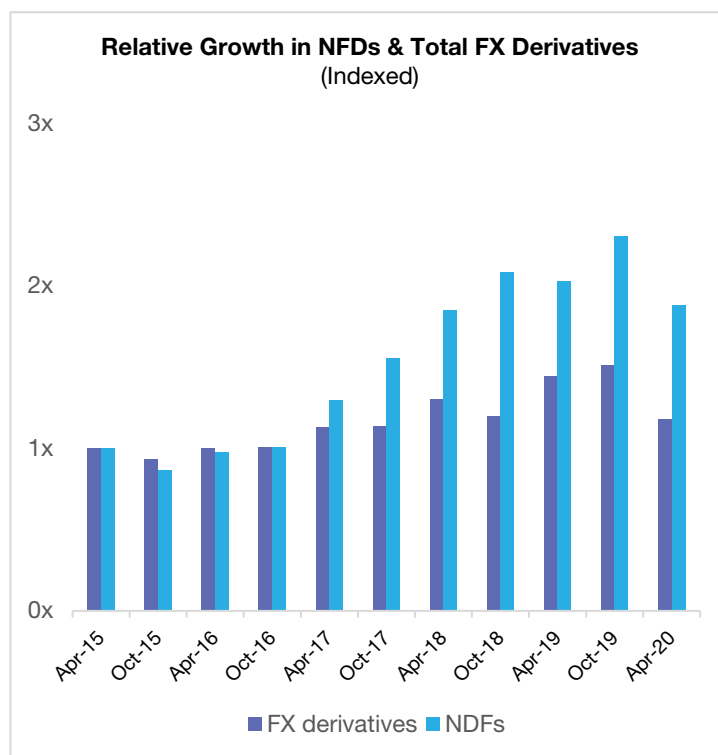
**Relative Size of Inter-Dealer vs Dealer-to-Client  
(% Value Traded)**



Source: BoE FXJSC

In the D2D market, the UMR have had an impact on volumes, with an increase in interbank trading of NDFs. The UMR set forth margin requirements for OTC derivatives that were not subject to the central clearing mandate, and the regulation particularly incentivises central clearing of NDFs. When UMR implementation began in 2016, many banks were already members of the LCH ForexClear service, which has offered central clearing of NDFs since 2012.

Similar to the impact of central clearing on interest rate swap volume growth, the rise in central clearing penetration in the NDF segment has also led to an overall increase in NDF trading volume, compared with transaction activity in the broader FX derivatives market. The table below shows the growth of NDFs relative to total FX derivatives for the period between April 2015 and April 2020.



Source: BoE FXJSC

The TP ICAP Group believes that a similar trend is likely in D2C market, as more asset managers are brought into scope of the UMR during 2021 and 2022. In addition, because many asset managers prefer cleared to bilateral exposures, it is possible that market participants will seek to trade more FX derivatives products in non-deliverable formats (rather than the traditional deliverable format). If this happens, the market may experience a more broad-based increase in transaction activity, echoing the central clearing-driven growth observed in interest rate swaps.

The TP ICAP Group therefore anticipates a positive medium-term outlook for volumes in both D2D and D2C FX derivatives.

#### 4.4 Equities market

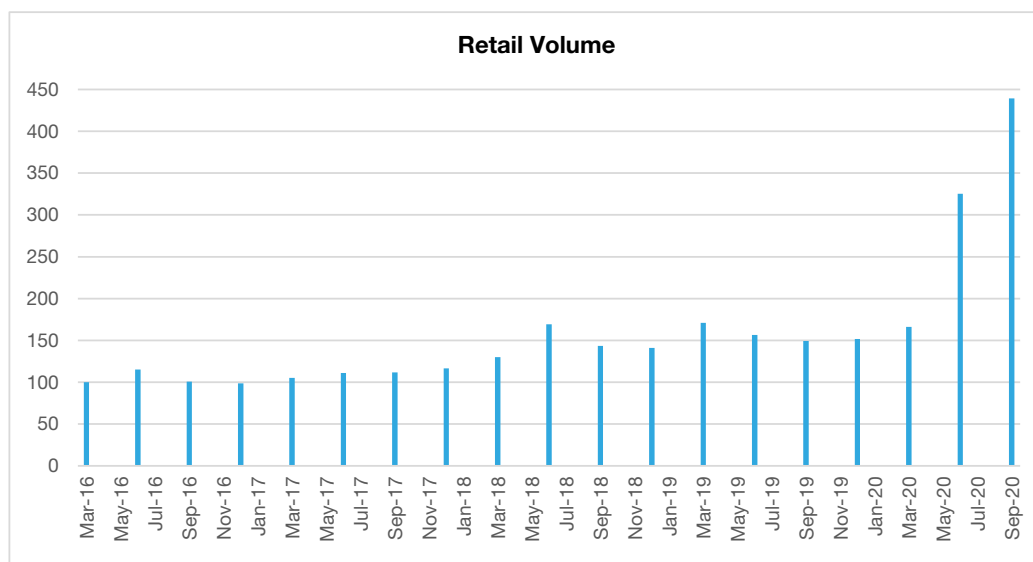
The equities market has been subject to various regulatory initiatives such as the national market system regulation (**Reg NMS**) in the United States and the Markets in Financial Instruments Directive (Directive 2004/39/EC) and any implementing legislation (MiFID I). With the aim of promoting transparency, best execution, and creating a level playing field amongst venues, Reg NMS and MiFID I resulted in increased fragmentation in the equities markets. These changes led to an emergence of new lit venues, which, unlike dark venues, show prices at which participants are prepared to trade. The emergence of new lit venues, along with the rapid development of smart order routing and algo trading led to a decline in average trade sizes. The challenges of achieving efficient order execution on lit venues led asset managers toward alternative dark venues to help with larger size trade execution.

In 2019, dark trading represented approximately 15 per cent. of total market trading volume in the United States and approximately 10 per cent. of total trades concluded in European trading venues that permit dark trading.

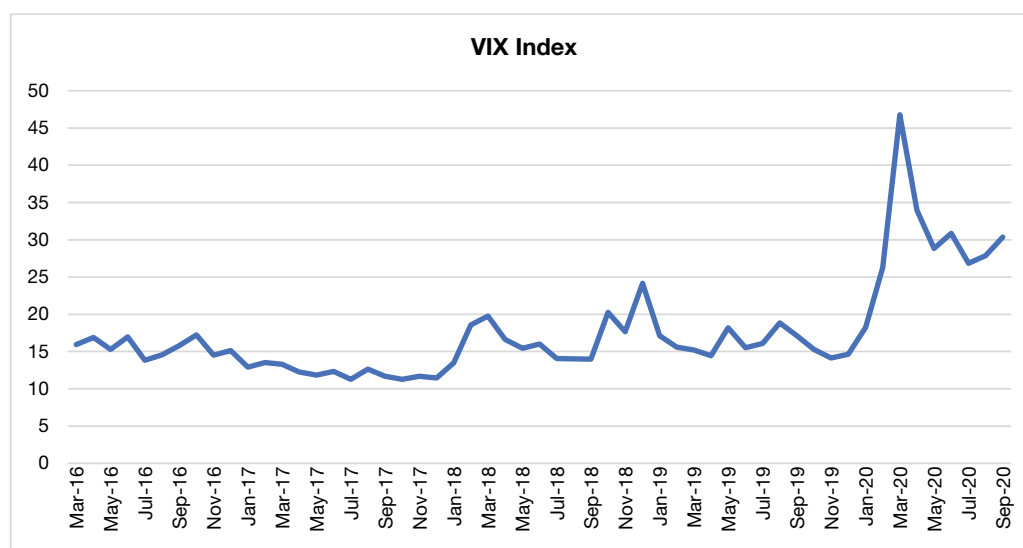
MiFID II introduced the unbundling of payment for content and execution, increased requirements for the buy-side to demonstrate best execution, and introduced limits on dark trading, reinforcing the trend of price competition and introducing further complexity to the execution landscape. With many asset managers operating globally, MiFID II has also indirectly impacted the U.S. market.

Retail trading has also been growing over time, particularly in the U.S. The chart below shows the growth in retail trading and well as the responsiveness of retail activity to changes in market volatility.





Source: TD Ameritrade, Interactive Brokers, E Trade, Charles Schwab, aggregated and indexed (Q1 16=100)



Source: Bloomberg

Equities represent a large asset class. The Acquisition is expected to enable TP ICAP to gain exposure via an electronic platform specialised in large size execution, which remains a critical need in the marketplace.

## 5. BUSINESS STRATEGY

The vision of the TP ICAP Group is to be the most trusted and respected data and market execution provider in the financial, energy and commodity products that the TP ICAP Group transacts in. The TP ICAP Group seeks to achieve this by building on its traditional strengths, whilst simultaneously transforming so that it remains well placed to capitalise on the opportunities presented by fast-moving market structures, regulatory changes and evolving client needs. To anticipate and respond to these changes, the TP ICAP Group is adapting its business along three strategic growth pillars—Electronification, Aggregation and Diversification—underpinned by the TP ICAP Group's commitment to attracting, developing and retaining talent, providing a respectful and enjoyable workplace that supports innovation and high performance with continuing personal and professional development, and maintaining a robust culture of conduct and compliance that is essential to its position as a trusted operator in highly regulated markets.

In line with its strategy, TP ICAP believes that the Acquisition presents a unique opportunity to transform its client base, earnings mix and growth trajectory, strengthening TP ICAP's market positioning and longer-term growth and margin prospects.

Whilst the TP ICAP Group's near-term financial performance in any given reporting period will reflect then-prevailing operating conditions (including market direction and price volatility), over the medium term the

Directors expect the TP ICAP Group's strategic foci to deliver a higher percentage of recurring electronic revenues, further diversification of earnings, and underlying operating margin expansion.

The three key pillars of the TP ICAP Group's strategy as mentioned above are as follows:

### **5.1 Electronification: Increase use of electronification and technology**

The Directors believe that better use of technology will improve the efficiency and profitability of client-facing services and internal operations across the TP ICAP Group.

Going forward, the TP ICAP Group seeks to enhance its medium-term profitability potential by increasing the amount of client activity and services that are delivered electronically. Electronification plans include coverage of pre- to post-trade transaction client services, as well as delivery of data and analytics, and internal processes. The TP ICAP Group intends to customise its approach to electronification in each of its product markets to reflect the relevant market structure characteristics, such as market size, maturity, level of standardisation, applicable regulations and any other relevant attributes. This includes but is not limited to developing new service offerings to better serve its clients and build upon its Data and Analytics offering.

The Acquisition is expected to enhance TP ICAP's electronic network assets and capabilities by expanding the TP ICAP Group's buy-side connectivity / data science capabilities and embedded institutional workflow and access to Liquidnet's unique "blotter sync" technology, which leverages connectivity with major order management systems (OMS) and execution management systems (EMS) and approximately 500 fixed income asset managers.

### **5.2 Aggregation: Improve client access to liquidity across the TP ICAP Group's franchise**

Following the completion of a number of recent acquisitions, most notably of ICAP's voice broking division, the TP ICAP Group has expanded its inter-dealer brokerage business. The TP ICAP Group operates a number of liquidity pools across products, asset classes and brands. TP ICAP intends to maintain its leading global position, as the largest inter-dealer broker by revenue, by using its technology to improve the efficiency of clients' access to these separate product liquidity pools, including via harmonisation of the appearance of screens between products and brands, better API access, and integrated extraction and delivery of related data and analytics.

Moreover, the TP ICAP Group intends to use technology to improve market depth by giving clients the ability to access the liquidity pools available across the TP ICAP Group's separate brands.

The TP ICAP Group believes the Acquisition will enable it to create a fully integrated platform to support client trading and liquidity needs. The Acquisition is expected to provide a significant fixed income opportunity by leveraging Liquidnet's connectivity/data science and existing liquidity pools with TP ICAP's rich data sets and TP ICAP's dealer relationships, connectivity and asset class expertise, particularly with respect to Credit and Rates.

### **5.3 Diversification: Build out earnings from buy-side, corporates, and data businesses**

The TP ICAP Group has seen greater diversification of its revenue, with its three faster growing businesses, Data & Analytics, Institutional Services and Energy & Commodities representing 32 per cent. of revenue and 40 per cent. of operating profit in 2019. In particular, by diversifying its client mix in Institutional Services and Energy & Commodities, TP ICAP has been growing its brokerage presence with a range of non-bank financial institutions, such as corporates, asset managers and hedge funds. The TP ICAP Group expects to continue to invest in these business segments, by expanding its product and geographic footprint. To continue to leverage its OTC markets expertise and capabilities and to reinforce its position as a leading provider of OTC data products and services, TP ICAP expects to expand its Data & Analytics product and service offering, targeting buy-side client needs, which is anticipated to diversify the client base by making it more focused on the buy-side client.

The Acquisition is further expected to enhance diversification by providing access to Liquidnet's established position in institutional cash equities, the opportunity to develop credible D2C offerings in Credit and Rates through Liquidnet's global client base and a much wider and accessible client base for Data & Analytics products through Liquidnet's on-boarded buy-side relationships. Moreover, the Directors believe that Liquidnet's technology team and its capabilities in artificial intelligence and machine learning provide significant additional potential for product development.

## 6. BUSINESS OVERVIEW

### 6.1 Reporting segments

The TP ICAP Group is organised by geographic reporting segment: EMEA, Americas and Asia Pacific. Its principal offices are in London, New York, New Jersey, Singapore, Hong Kong and Tokyo. The table below presents the TP ICAP Group's revenue and operating profit for the years ended 31 December 2017, 2018 and 2019, and for the nine months ended 30 September 2020 and 30 September 2019, respectively, broken down in relation to each reporting segment.

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)			(£ million)	
<b>Revenue by reporting segment</b>					
EMEA . . . . .	877	886	900	690	677
Americas . . . . .	628	636	687	521	519
Asia Pacific . . . . .	252	241	246	189	182
<b>Total revenue . . . . .</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
<b>Underlying operating profit by reporting segment</b>					
EMEA . . . . .	170	173	164	141	126
Americas . . . . .	64	81	94	75	77
Asia Pacific . . . . .	29	22	21	18	15
<b>Total underlying operating profit . . . . .</b>	<b>263</b>	<b>276</b>	<b>279</b>	<b>234</b>	<b>218</b>

### 6.2 EMEA

The TP ICAP Group's EMEA region comprises its operations in the United Kingdom, France, Spain, Germany, the Netherlands, Norway, Denmark, Switzerland, Austria, South Africa, Nigeria, Bahrain and the UAE, and accounted for 49.1 per cent. and 58.8 per cent. of the TP ICAP Group's revenue and operating profit during the year ended 31 December 2019. In its EMEA segment, the TP ICAP Group comprises Global Broking, Energy & Commodities, Institutional Services and Data & Analytics.

### 6.3 Americas

The TP ICAP Group's Americas region comprises its operations in the United States, Canada, Brazil and Ecuador, and accounted for 37.5 per cent. and 33.7 per cent. of the TP ICAP Group's revenue and underlying operating profit during the year ended 31 December 2019. In its Americas segment, the TP ICAP Group comprises Global Broking, Energy & Commodities, Institutional Services and Data & Analytics.

### 6.4 Asia Pacific

The TP ICAP Group's Asia Pacific region comprises its operations in Singapore, Hong Kong, Thailand, Japan, Australia, Indonesia, New Zealand, Korea and the Philippines, and accounted for 13.4 per cent. and 7.5 per cent. of the TP ICAP Group's revenue and underlying operating profit during the year ended 31 December 2019. In its Asia Pacific segment, the TP ICAP Group offers Global Broking, Energy & Commodities, Institutional Services and Data & Analytics.

### 6.5 Broking business models

The Directors believe that the TP ICAP Group provides an essential service to its clients by offering deep pools of liquidity which enables them to trade a wide range of financial and energy products in numerous markets and regions. These trades are often bespoke in nature, complex, and of a high nominal value, and the Directors believe that the access the TP ICAP Group's brokers have to the largest pools of liquidity makes the TP ICAP Group relevant to its clients.

In accordance with the risk appetite set by the Board, the TP ICAP 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 extent, liquidity and market risk. The TP ICAP Group's counterparty credit risks vary by broking model, and are explained below. Operational risks include the risk of business disruptions, employee errors and failures of business processes or IT systems, as well as the risk of litigation. The TP ICAP Group's limited liquidity risk, in the form of cash collateral or margin deposits, is described in the context of its

Matched Principal and Executing Broker trades below. The TP ICAP Group's limited market risk is reflected in the business model adopted by the TP ICAP Group whereby it acts only as an intermediary in the financial markets, rather than a principal acting for its own account. The TP ICAP Group's regulatory permissions, reflected in its risk management policies, explicitly prohibit the TP ICAP Group from actively taking trading risk and, as a result, the TP ICAP Group does not trade for its own account.

The TP ICAP Group's Global Broking business is conducted through three distinct broking models: the "Name Passing" model (also known as **Name Give Up**); the "Matched Principal" model; and the "Executing Broker" model. These three models are described further below.

**(a) Name Passing (Name Give Up)**

Approximately 75 per cent. of the TP ICAP Group's Global Broking revenue in the year ended 31 December 2019 was derived from brokerage commissions earned on trades executed as Name Passing activities, where the TP ICAP Group identifies and introduces buyers to sellers, and the counterparties settle directly with each other, but the TP ICAP Group itself is not a counterparty to the trade. Under the Name Passing model the TP ICAP Group's exposure to counterparty credit risk is limited to outstanding invoices for brokerage commission from its clients. Almost all of the TP ICAP Group's activities in derivatives, such as forward FX, FX options, interest rate swaps, interest rate options, credit derivatives, and the vast majority of its Energy & Commodities activities are conducted under the Name Passing model.

**(b) Matched Principal**

Approximately 20 per cent. of the TP ICAP Group's Global Broking revenue in the year ended 31 December 2019 was derived from brokerage commissions earned on trades executed as Matched Principal activities, where the TP ICAP Group is the counterparty to both the buyer and the seller of a matching trade, entering into a commitment to simultaneously buy and sell financial instruments with counterparties. The vast majority of the TP ICAP Group's activities conducted under the Matched Principal model are in government and agency bonds, municipal bonds, mortgage backed securities and corporate bonds.

Under the Matched Principal broking model, the TP ICAP Group bears the risk of counterparty default during the period between execution and settlement of the trade. In a Matched Principal trade, in the event of a counterparty default prior to settlement, the TP ICAP Group is still committed to complete the other side of the matched trade. In such circumstances, the cost to the TP ICAP Group would be the difference in value of a replacement trade compared to the original defaulted leg. The TP ICAP Group's exposure on the pre-settlement counterparty risk is therefore not to the absolute value of the underlying security but to any change in value of the underlying security during the period between the original trade execution date and the settlement date. The Directors therefore consider the TP ICAP Group's pre-settlement counterparty exposure to be a contingent market risk. Where practical, the TP ICAP Group mitigates pre-settlement counterparty exposure by the use of central clearing counterparty services (whereby a financial intermediary providing central clearing services takes on the counterparty credit risk between parties to a transaction, rather than the TP ICAP Group) and other default risk transfer agreements, and by taking swift action to close out any position that arises as a result of a counterparty default.

The TP ICAP Group does undertake a limited amount of Matched Principal broking where its 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 movements in the value of the underlying instrument is heightened. If a buyer in one of these trades were to default it is likely that their own securities would be subject to a considerable loss of value. Finding a new counterparty to replace the defaulted trade may be difficult and the value the TP ICAP Group would receive for the underlying security could be significantly reduced. The TP ICAP Group's risk management policies impose stricter controls on such trades along with enhanced monitoring and reporting.

Matched Principal transactions can also be exposed to settlement risk where a party to a transaction could pay the consideration or deliver a security but fails to receive the security or cash in exchange. To mitigate the settlement risk in such circumstances the TP ICAP Group's risk management policies require that such transactions are undertaken on a strict delivery-versus-payment basis. Under the TP ICAP Group's risk management policies, any transaction where such an arrangement is not available is subject to specific authorisation, significant controls and enhanced monitoring.

The TP ICAP Group's Matched Principal activities also give rise to liquidity risk as the settlement agents and central clearing counterparty services used by the TP ICAP Group can require increased cash collateral or margin deposits at short notice to reflect changes in the value of the securities being traded, due to the fact that

the TP ICAP Group may be required to fund a purchase of a security before the delivery of that security on to the TP ICAP Group's matching counterparty. Once a Matched Principal transaction has settled (usually within one to three business days after the trade date), there is generally no further liquidity risk for the TP ICAP Group.

### (c) Executing Broker

Approximately 5 per cent. of the TP ICAP Group's Global Broking revenue in the year ended 31 December 2019 was derived from brokerage commissions earned on trades executed as Executing Broker activities, where the TP ICAP Group executes transactions on certain regulated exchanges in its own name to fulfil clients' orders, and then "gives-up" the economic returns on the trades to the client (or their clearing members). The majority of the TP ICAP Group's revenue generated under the Executing Broker model relates to listed equity derivatives, listed interest rate futures, and options on futures.

Under the Executing Broker broking model, the TP ICAP Group bears short term pre-settlement risk of counterparty default between the execution of the trade and the client claiming the trade. Under the terms of the "give-up" agreements the TP ICAP Group generally has in place with its clients, trades should be claimed by the end of the trade day. Once the trade has been claimed by its client, the TP ICAP Group's only exposure to the client is for the invoiced brokerage commission receivable.

The TP ICAP Group's Executing Broker activities also give rise to liquidity risk as exchanges and central clearing counterparty services used by the TP ICAP Group can require additional cash collateral or margin deposits at short notice if trades have not been claimed.

## 6.6 Principal activities

### (a) Overview

The TP ICAP Group's business is organised into five divisions (the first four of which are client-facing and front office, or revenue-generating): Global Broking, Energy & Commodities, Institutional Services, Data & Analytics and Corporate Centre. The table below presents the TP ICAP Group's revenue for the years ended 31 December 2017, 2018 and 2019, and for the nine months ended 30 September 2020 and 30 September 2019, respectively, broken down by each client-facing division.

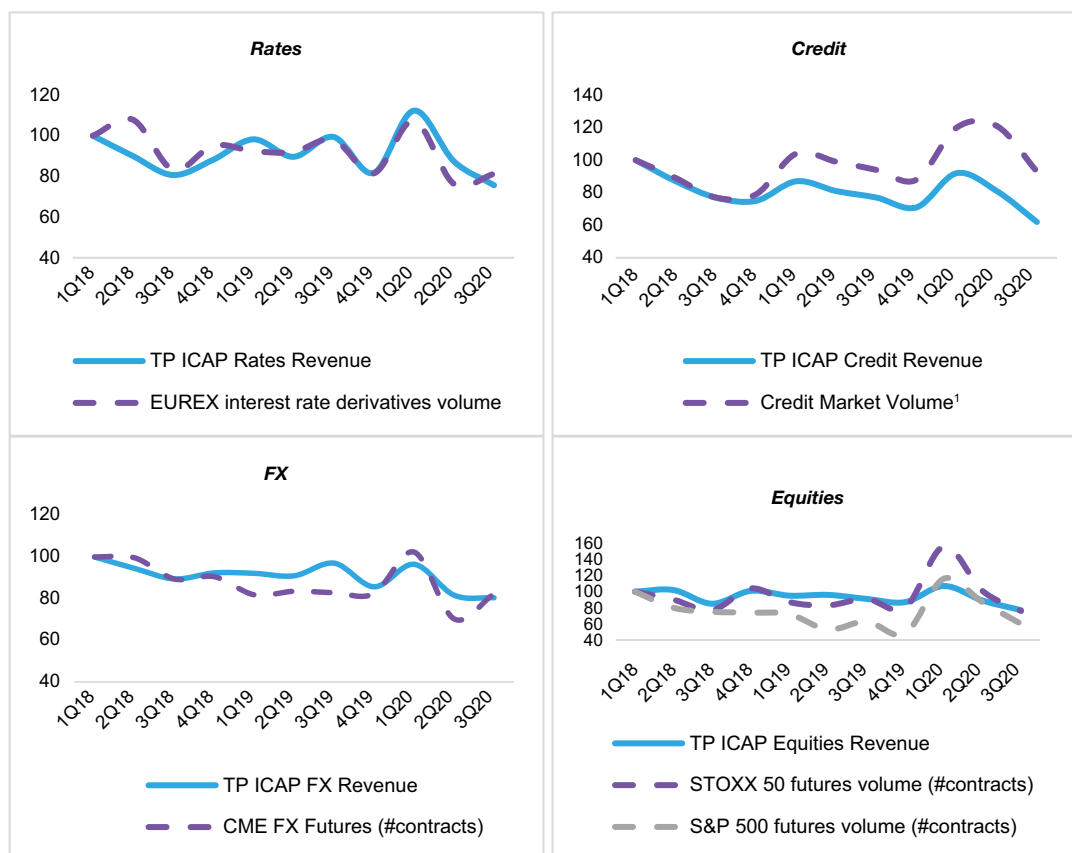
	Year ended 31 December			Nine months ended 30 September	
	2017	2018 <sup>(1)</sup>	2019	2019	2020
	(£ million)			(£ million)	
<b>Revenue by division</b>					
Global Broking . . . . .	1,270	1,272	1,262	972	916
Energy & Commodities . . . . .	343	333	382	287	299
Institutional Services . . . . .	32	61	75	57	73
Data & Analytics <sup>(2)</sup> . . . . .	112	117	135	99	106
Corporate Centre <sup>(3)</sup> . . . . .	—	—	—	—	—
Inter-Division Eliminations <sup>(4)</sup> . . . . .	N/A <sup>(5)</sup>	(20)	(21)	(15)	(16)
<b>Total . . . . .</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>

Notes:

- (1) In 2019, the RV broking business was transferred from Global Broking to Institutional Services. The 2018 revenue has been restated to reclassify £24 million of revenues and all associated costs from Global Broking into Institutional Services.
- (2) Contracts for the provision of Data & Analytics services gives the TP ICAP Group a right to revenue which corresponds directly to the value of the performance completed. The TP ICAP Group has applied the practical expedient in IFRS 15 and has disclosed neither the remaining amount due under the contract nor when the TP ICAP Group expects to recognise that amount.
- (3) This division comprises internal services and earns no external revenue.
- (4) Inter-division charges have been made by Global Broking and Energy & Commodities to reflect the value of proprietary data provided to the Data & Analytics division. The figure for 2018 has been restated in line with the new presentation format. The broking inter-segmental revenues and Data & Analytics inter-segmental costs are eliminated upon the consolidation of the TP ICAP Group financial results.
- (5) Prior to 2019, the TP ICAP Group did not report inter-divisional revenues and eliminations. The practice was first implemented in the TP ICAP 2019 Financial Statements with a comparison for 2018 included therein.

## (b) Business drivers and outlook

The TP ICAP Group's business is influenced by cyclical factors. For example, TP ICAP's Global Broking revenue is transaction-volume driven and has historically been closely correlated with broader secondary market activity, with market direction and volatility generally having a positive impact on transaction volume and therefore TP ICAP's revenue. As shown in the below charts, exchange-traded derivatives and corporate bond volume data tend to be useful approximations of activity in the relevant market segments:



**Note 1:** Data include US corporate bond trading volumes, Trax Eurobonds and Trax Emerging Market volumes.

Sources: TP ICAP, CME, Eurex, ICE, SIFMA, Trax

TP ICAP's business is also affected by secular influences, which tend to dominate cyclical factors on a multi-period basis. Regulatory changes and developments, such as central counterparty clearing mandates, UMR, the Volcker Rule, regulatory capital treatment of market risk as well as best execution obligations under MiFID II, have been one of the principal drivers of market participant behaviour and absolute and relative changes in trading volumes in various asset classes, in recent periods. Notable market effects of regulatory changes include the growth in the volume of cleared products, the adoption of electronic trading, and increasing margin pressure. In light of these structural market events, TP ICAP has implemented the business-unit strategies, as set out below, which TP ICAP believes to be aligned with its three key strategic pillars discussed above.

In the medium term, the TP ICAP Group (on a standalone basis) will target a revenue CAGR of approximately 3 per cent., reflecting the blended effect of an expected 1 per cent. revenue CAGR for the Global Broking business, a 4 per cent. revenue CAGR for Energy & Commodities, and revenue CAGRs of approximately 11 per cent. and 12 per cent. for its Data & Analytics and Institutional Services businesses, respectively.

In addition, the TP ICAP Group will aim to achieve an underlying operating profit margin of approximately 17 per cent. by 2023 and approximately 20 per cent. in the medium term. The TP ICAP Group expects that its targeted underlying operating profit margin expansion will not be linear, given the weighting of its planned strategic investments, which is expected to disproportionately occur in the next two years.

The TP ICAP Group will also aim to achieve annualised cost savings of approximately £35 million by the end of 2021, with approximately half of the £35 million expected to improve its 2021 contribution.

The TP ICAP Group expects net income improvement over the medium term to be driven by margin expansion, a greater contribution from higher-growth businesses and improved operating leverage which may

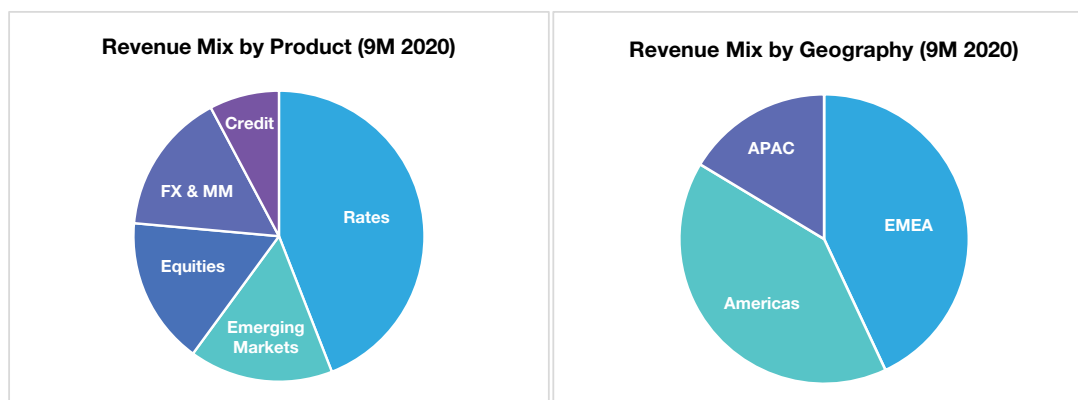
partly be offset by any increases in tax rates and interest costs. Additionally, the TP ICAP Group will target a cash conversion rate of approximately 80 per cent. by 2023.

The TP ICAP Group will aim to reduce the share of front office costs as a proportion of revenue over time, with a focus on improving contribution margins. The TP ICAP Group aims to reduce front office costs from 62 per cent. of revenue in 2019 to approximately 60 per cent. in 2023 and approximately 57 per cent. in the medium term. In addition, the TP ICAP Group will target to maintain support costs and technology investment broadly stable at approximately 14 per cent. and 9 per cent. of revenue, respectively, in the medium term.

### (c) Global Broking

Global Broking is the TP ICAP Group's largest division by revenue offering broking services in five major product groups, Rates, Credit, FX and Money Markets, Equities, and Emerging Markets, where it has material market shares. The TP ICAP Group brings together buyers and sellers by providing a range of professional intermediary services that enables its clients to execute trades successfully. The TP ICAP Group operates through the Tullett Prebon and ICAP brands, and offers its clients a range of ways to interact with the TP ICAP Group, through voice, hybrid or electronically, depending on the nature of the market, product and transaction. One of the TP ICAP Group's fundamental strengths is the long-established relationships it has with its investment bank clients.

The charts below provide a breakdown of Global Broking revenue by product group and geography.



#### *Rates*

The TP ICAP 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, interest rate options, basis swaps, inflation swaps, Government bonds, U.S. Treasuries, municipal bonds, mortgage-backed securities, repo, bond futures and options and forward rate agreements. The total revenue of the TP ICAP Group's Rates business for the year ended 31 December 2019 was £537 million (year ended 31 December 2018: £523 million).

#### *Credit*

The TP ICAP Group brokers credit products including corporate bonds, financial bonds, high yield bonds, convertible bonds, insurance linked securities, and high yield and index credit default swaps. The total revenue of the TP ICAP Group's Credit business for the year ended 31 December 2019 was £94 million (year ended 31 December 2018: £101 million).

#### *FX and Money Markets Products*

The TP ICAP Group brokers treasury products including spot and forward foreign exchange, non-deliverable forwards in non-convertible currencies, foreign exchange options, and cash and deposits. The total revenue of the TP ICAP Group's FX and Money Markets Products business for the year ended 31 December 2019 was £201 million (year ended 31 December 2018: £207 million).

#### *Equities*

The TP ICAP Group offers broking services to its clients in a variety of equity derivative products including index and single stock options, some cash equity products including American depositary receipts and global

depository receipts, exotic derivatives, single stock delta 1 and index delta 1, Eurostoxx options, MSCI futures and Global equity arbitrage. The total revenue of the TP ICAP Group's Equities business for the year ended 31 December 2019 was £199 million (year ended 31 December 2018: £210 million).

### *Emerging markets*

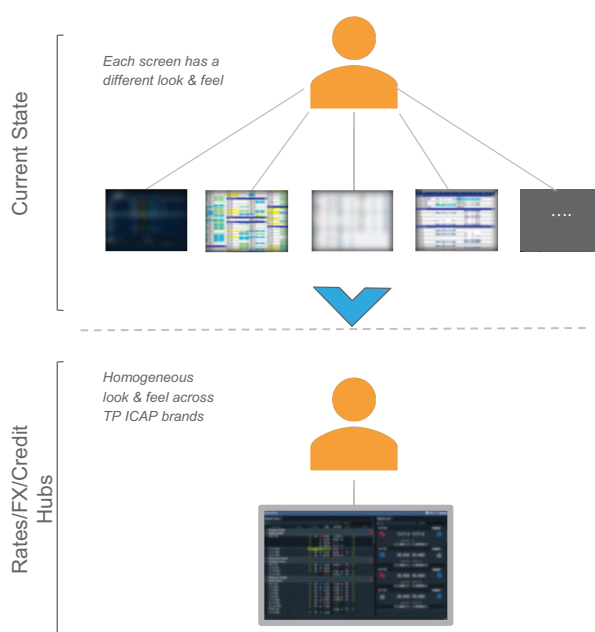
The TP ICAP Group brokers local markets products including emerging market bonds, emerging markets FX and FX options, emerging markets swaps, forward foreign exchange and non-deliverable forwards in non-convertible currencies. The total revenue of the TP ICAP Group's Emerging Markets business for the year ended 31 December 2019 was £213 million (year ended 31 December 2018: £213 million).

### *Risk management*

The Global Broking division also houses the TP ICAP Group's Risk Management Services business which 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. See "*Risk Management*" below for further information.

## **(d) Global Broking strategy**

As part of its implementation of the electronification and aggregation pillars of the TP ICAP Group's overall strategy, the TP ICAP Group intends to introduce "hubs", whereby clients will be able to more efficiently access the TP ICAP Group's liquidity within an asset class, to consume relevant information and transact. TP ICAP Group has a hub strategy for each of the Rates, FX and Credit asset classes. The hub strategy will include harmonisation of the appearance of screens across brands and product segments, as well as providing access to multiple platforms via a single login.



This hub strategy is designed to respond to evolving market trends, such as sell-side economic pressures, an increasing rate of internalisation by large dealers of trading flows and a shift toward electronic (as opposed to voice) trading tools amongst sell-side traders when transacting with their own clients, and is expected to enable the TP ICAP Group to better capitalise on the liquidity it offers clients across its separate brands and products. Anticipated benefits of this hub strategy include higher quality revenue (i.e. a stickier client base, increased execution and cross-selling opportunities, and enhanced data gathering capability) and higher profitability (i.e., higher profitability compared to voice, higher revenue/volume per broker and improved compensation ratios in electronified segments).

In the medium term, the TP ICAP Group expects each of its Rates, FX and Credit hubs to offer clients access to multiple liquidity pools in a given asset class via a single login and screens having a common look and feel across TP ICAP brands and products.



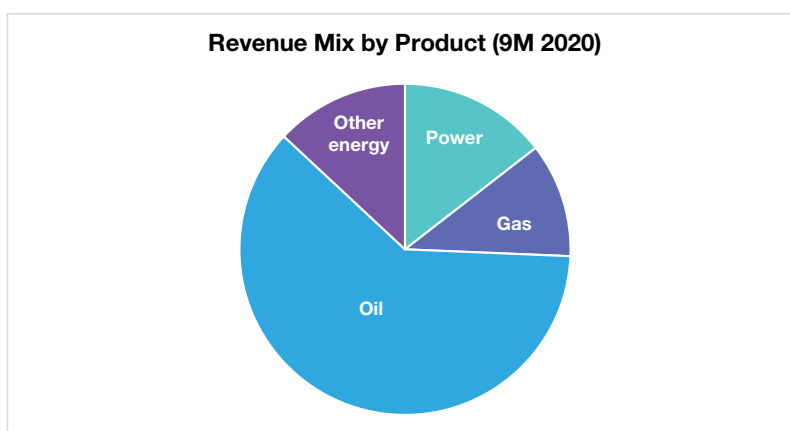
In 2020, the TP ICAP Group has made the following progress with respect to its hub strategy:

- **Rates Hub:** TP ICAP enhanced its electronic platform capability for interest rate options and gilts by upgrading its matching engine, which resulted in improved volume matching functionality, smarter order generation, better risk management and improved trading outcomes for its clients. TP ICAP also launched its “ICAP Sterling Hub” as part of its cross-product pound sterling aggregation and electronification, as well as extending its successful ICAP-brand interest rate options platform, the Tullett Prebon brand (initially for selected products).
- **FX Hub:** TP ICAP accelerated its cross-brand electronification and aggregation by launching its FX options platform, FXO Hub. FXO Hub has been a key driver of improvement in TP ICAP’s FX options market share, which, according to Clarus, grew by approximately 5 percentage points between the fourth quarter of 2019 and the third quarter of 2020 (based on notional trading volume).
- **Credit Hub:** TP ICAP launched its first solution specifically designed for credit algorithm traders, which has resulted in further cross-brand and cross-product diversification. Further electronification of workflows also took place through additional integration with the existing post trade solutions used by the TP ICAP Group’s bank clients, the enabling of self-service trade recaps with Excel integration, and the introduction of auctions with automated real-time execution prices.

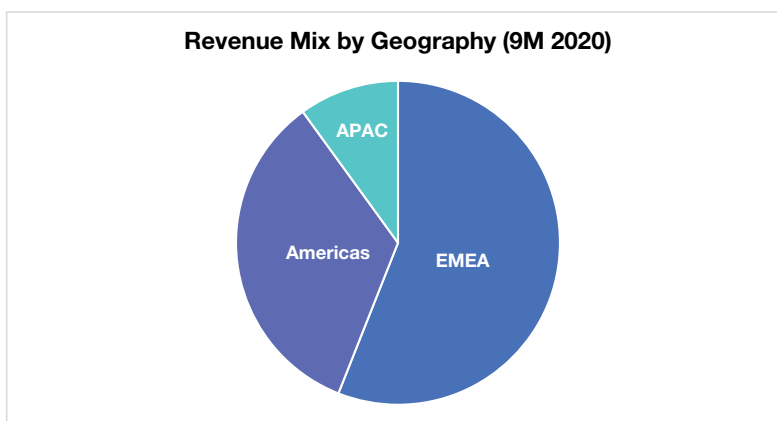
In the medium term, the TP ICAP Group will target a revenue CAGR of 1 per cent. for Global Broking. The TP ICAP Group will also aim to achieve a Global Broking contribution margin of approximately 40 per cent. by 2023 and approximately 42 per cent. in the medium term. Additionally, the TP ICAP Group will target a Global Broking operating margin of approximately 19 per cent. by 2023, rising to approximately 20 per cent. in the medium term.

#### (e) Energy & Commodities

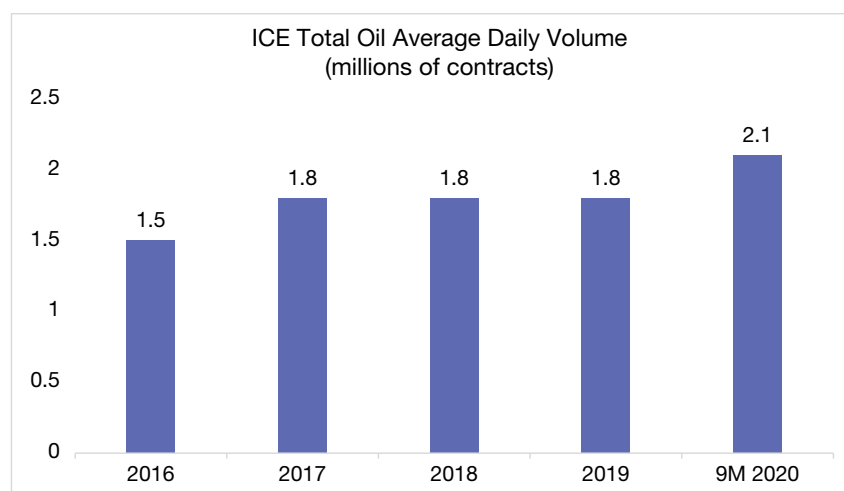
Energy & Commodities is the TP ICAP Group’s second largest division by revenue and operates through the Tullett Prebon, ICAP and PVM brands in key commodities markets. The TP ICAP Group’s Energy & Commodities Products include crude oil, fuel oil, gas oil, gasoline, naphtha, and derivatives related to those products, ethanol, coal, power (electricity) and gas, as well as base and precious metals, and soft commodities such as grains.



TP ICAP is the largest OTC Energy & Commodities broker in the world by revenue and has a leading presence in the OTC trading of oil and oil products, with strong positions in the European Union, UK, U.S. and Australian power and gas markets.

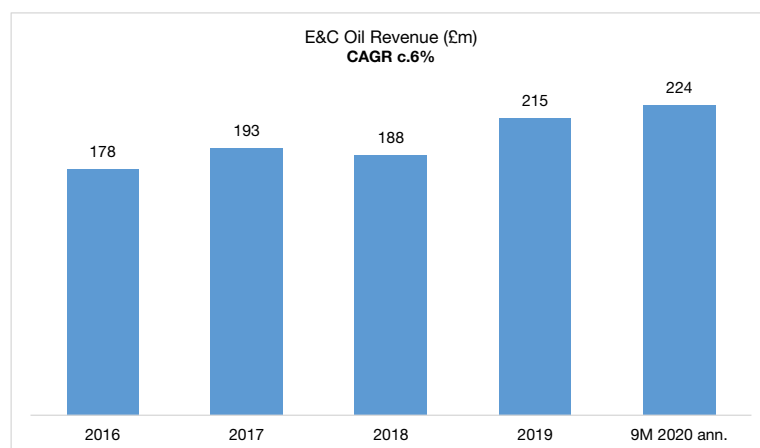


On-exchange average daily trading of oil contracts products has been relatively stable over the past few years, with strong trading activity observed in the first half of 2020.

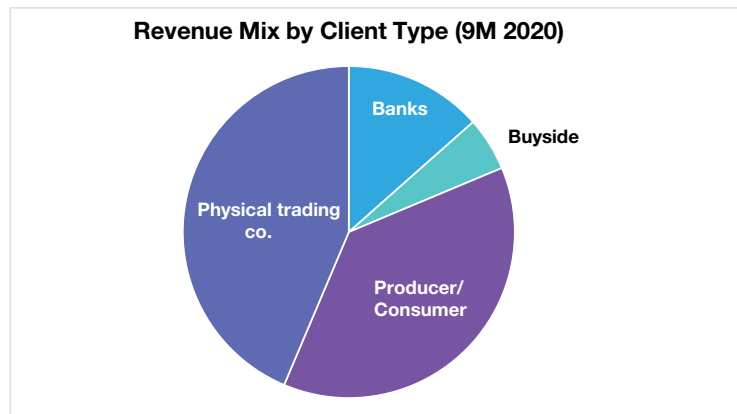


Source: ICE

The TP ICAP Group's Energy & Commodity oil revenue has broadly tracked wider market activity, as approximated by the Intercontinental Exchange Futures volumes presented below.

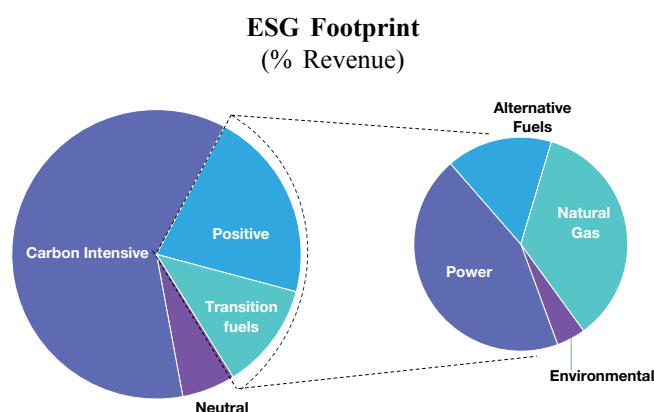


The TP ICAP Group's Energy & Commodities division has a diversified and growing client base comprising of producers, consumers, commodity trading houses, as well as banks, asset managers and hedge funds.



Environmental, social and corporate governance (ESG) criteria and trends have had a significant impact on the oil market in recent years. While oil volumes remain strong, various large players in the oil industry have announced targets to reduce carbon emission, among other initiatives. The TP ICAP Group believes that the “decarbonisation” of the energy market and the shift toward alternative fuels over the next 10 to 20 years presents additional opportunities for growth in low-carbon markets such as renewables as well as carbon credits and electricity and gas.

In 2019 and the nine months ended 30 September 2020, approximately 40 per cent. of Energy & Commodities revenue was derived from (i) positive or neutral products such as power derived from renewable sources and alternative fuels such as biodiesel, carbon credits and weather and (ii) transitional products such as liquefied natural gas (LNG). The TP ICAP Group expects revenue from environmentally friendlier products to be an important and growing part of its business. In particular, the TP ICAP Group anticipates LNG to become increasingly more important in the coming years as a result of LNG infrastructure investments globally, particularly for the transportation of LNG. Additionally, the TP ICAP Group expects new markets to develop for hydrogen and battery metals, whilst demand for oil is expected to continue for certain industrial process such as the production of petrochemicals.



#### (f) Energy & Commodities strategy

TP ICAP aims to create an Oil Hub for its Energy & Commodities business to automate its OTC oil broking model and aggregate liquidity across its brands. TP ICAP believes that this aggregation of liquidity across its brands into one platform will result in more efficient management of liquidity by brokers, operational and technological efficiencies, additional business opportunities for its Data & Analytics business, increased stickiness of broker relationships, enhanced broker productivity and better protection of its revenue and market share. TP ICAP also intends to provide a digital assistant tool called Darwin, a proprietary machine learning solution that will rely on oil hub data to assist brokers with tools and information to analyse trading activity.

As of the date of this Prospectus, in respect of its Oil Hub plans, TP ICAP has completed the initial build of its Order Management System (OMS) and, from August 2020, began to implement it on broker desks. Completion of the OMS rollout is expected in the first half of 2021. TP ICAP has also completed initial work on its post-trade straight-through processing requirements of the Oil Hub strategy. In 2021 and onwards, TP ICAP intends to further implement the Oil Hub strategy by expanding straight-through processing feeds, enabling liquidity-

sharing between brands, introducing a real time oil price data feed, and integrating Darwin's Digital Assistant within the platform.

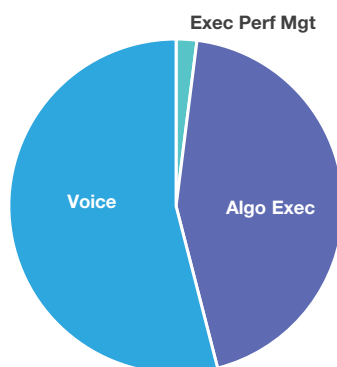
In the medium term, the TP ICAP Group will target a revenue CAGR of approximately 4 per cent. for the Energy & Commodities division. The TP ICAP Group will also aim to achieve an Energy & Commodities contribution margin of approximately 35 per cent. by 2023 and approximately 38 per cent. in the medium term. Additionally, the TP ICAP Group will target an Energy & Commodities operating margin of approximately 15 per cent. by 2023 and approximately 18 per cent. in the medium term.

#### (g) Institutional Services

The TP ICAP Group's Institutional Services division provides venue agnostic, agency execution services to buy-side clients including hedge funds, asset managers and other non-bank financial institutions. Institutional Services comprises a mix of voice and algorithmic execution services.

The below chart provides a breakdown of services (as a percentage of revenue) for the nine months ended 30 September 2020:

**Institutional Services Mix (as % of Revenue)**

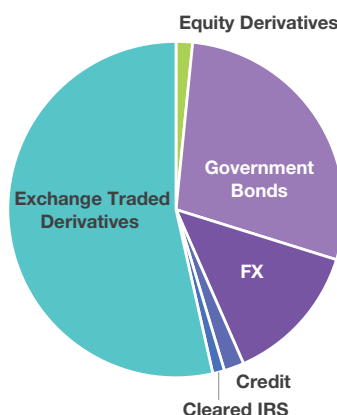


Note: Execution Performance Management refers to revenue that is attributable to TP ICAP work on pre-trade dynamics and post-trade execution analysis.

Institutional Services assists clients, with a focus on the buy-side, in the task of trade and venue selection, order routing and post-trade analytics across listed derivatives, FX, government bonds, cleared interest rate swaps and, as of December 2019, cash equities.

The below chart provides a breakdown of revenue mix by product for the nine months ended 30 September 2020:

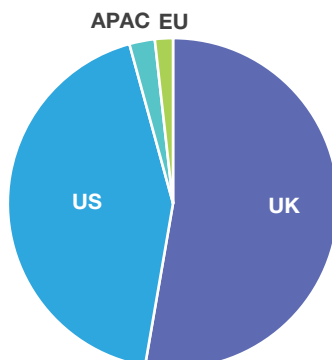
**Institutional Services Revenue Mix (by Product)**



Institutional Services has a global presence with operations in London, the United States, Paris and Singapore and has a headcount of more than 100 professionals.

The below chart provides a breakdown of revenue mix by region for the nine months ended 30 September 2020:

**Institutional Services Revenue Mix (by Region)**



Since its inception in 2017, Institutional Services has grown through investment in new products and client-facing teams, creating what the TP ICAP Group believes is an efficiency advantage for clients, compared with other execution options. The TP ICAP Group intends to leverage this efficiency advantage to maximise shorter term margin growth and to drive long term revenue growth through product and headcount buildout. The TP ICAP Group intends to continue to execute its growth strategy by aiming to broaden its asset market coverage and geographical presence and originate higher-value electronic execution services.

The TP ICAP Group employs an agency execution model in its Institutional Services division, which means that TP ICAP does not carry out proprietary trading and does not market make or hold inventory. Where TP ICAP acts as a counterparty in an Institutional Services trade, it does so solely for purposes of settlement, billing and the maintenance of client anonymity. Clients rely on the TP ICAP Group for difficult-to-execute trades (e.g., trades for derivatives with low liquidity or multiple legs). Institutional Services assists clients in identifying trading opportunities by considering factors such as market dislocations, relative value, liquidity events, trends and cycles as well as macroeconomic and regulatory events, funding efficiency and venue incentives.

Overall, the agency execution model has benefited as traditional dealers contend with balance sheet limitations, declining average trade size, increasing organisational complexity, ‘juniorised’ sales coverage, legacy technology, slow response times for legal and onboarding processes, rationing of client solutions as well as off-shored or outsourced operations. The TP ICAP Group believes that the agency execution model responds to client demand for electronification of more complex and fragmented markets, better execution outcomes and increased transparency and responsiveness.

#### **(h) Institutional Services strategy**

As a relatively new business, TP ICAP’s Institutional Services business has been built on some of the newest technology available, providing efficiency benefits. As this business moves through further growth phases, TP ICAP intends to utilise this efficiency advantage in driving its long-term revenue growth through product and headcount buildout, and in maximising shorter term margin growth. TP ICAP also intends to expand its asset market coverage and geographical presence, while facilitating higher-value electronic execution services, as it continues to execute this growth strategy.

In the medium term, the TP ICAP Group will target a revenue CAGR of approximately 12 per cent. for the Institutional Services business. The TP ICAP Group will also aim to achieve an Institutional Services contribution margin of approximately 30 per cent. by 2023 and approximately 34 per cent. in the medium term. Additionally, the TP ICAP Group will target an Institutional Services operating margin of approximately 19 per cent. by 2023 and approximately 24 per cent. in the medium term.

#### **(i) Data & Analytics**

The TP ICAP Group’s Data & Analytics business provides unbiased data products that facilitate trading, enhance transparency, reduce risk and improve operational efficiency for the TP ICAP Group’s clients. The Data & Analytics division is a leading provider of scarce OTC data and neutral pricing information, and the TP ICAP Group has access to more OTC data than any other company globally (based on the TP ICAP Group’s

assessment by reference to publicly available data). The TP ICAP Group leverages its own proprietary trade data, as well as third-party data, to provide over 500,000 pricing, reference data and analytical tools for major asset classes and markets and operates a rigorous quality assurance process to ensure the integrity and robustness of the TP ICAP Group’s products.

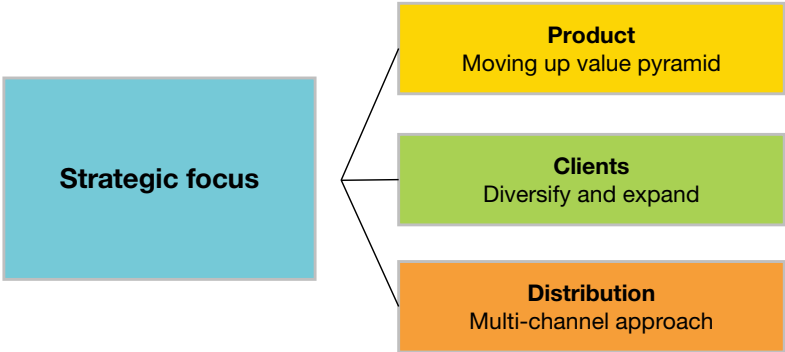
The Data & Analytics division provides independent real-time and end-of-day price information from the wholesale interdealer brokered financial and energy and commodity markets to both major data vendors and directly to end users. The data sets cover products in Rates, Credit, FX and Money Markets, Emerging Markets, and Energy and Commodities.

Data & Analytics services over 1,000 clients and has a global sales presence in APAC, EMEA and the Americas and currently employs over 180 dedicated staff. Approximately 94 per cent. of its revenue is comprised of recurring subscription-based fees.

From 2011-2020, TP ICAP has been named Broker Data Provider of the Year by Inside Market Data ten consecutive times. TP ICAP expects to undertake a re-branding initiative for the Data & Analytics business in the first quarter of 2021.

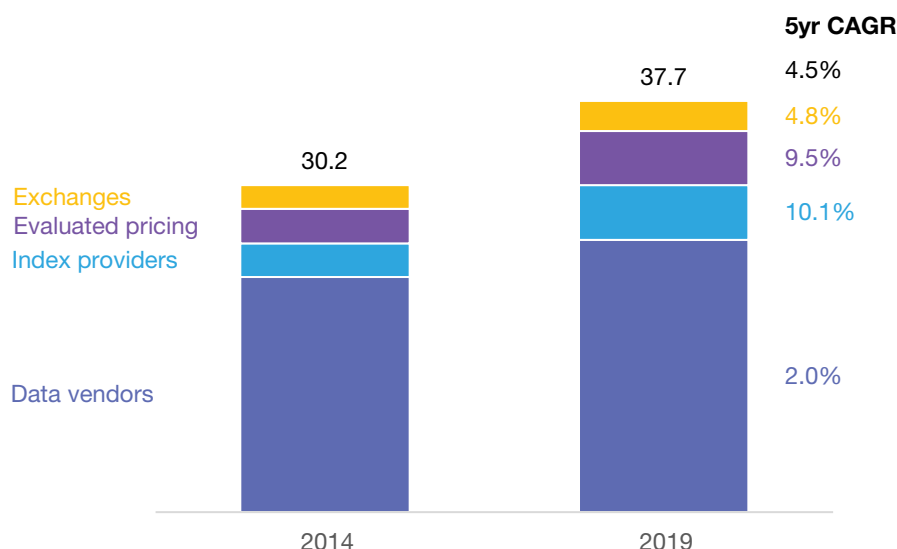
**(j) Data & Analytics strategy**

TP ICAP has established a three-pronged strategy for its Data & Analytics business, which is designed to capture the growth of a large and growing global data and analytics market, while increasing TP ICAP’s market share in the data and analytics market. TP ICAP’s Data & Analytics business strategy comprises product, client and distribution sub-strategies.



Data & Analytics’ strategy is intended to enable TP ICAP to increase its market share by pursuing potential opportunities to expand its data offering into other under-serviced areas with growing client requirements, such as index providers and evaluated pricing segments, which, according to Burton-Taylor International Consulting, grew globally by a CAGR of approximately 10.1 per cent. and 9.5 per cent., respectively, between 2014 and 2019, as well as assisting clients with regulatory obligations and analytics requirements. The graphic below presents the growth in global market data revenue overall and by industry participant between 2014 and 2019.

### Market Data Revenues (US\$ billion)

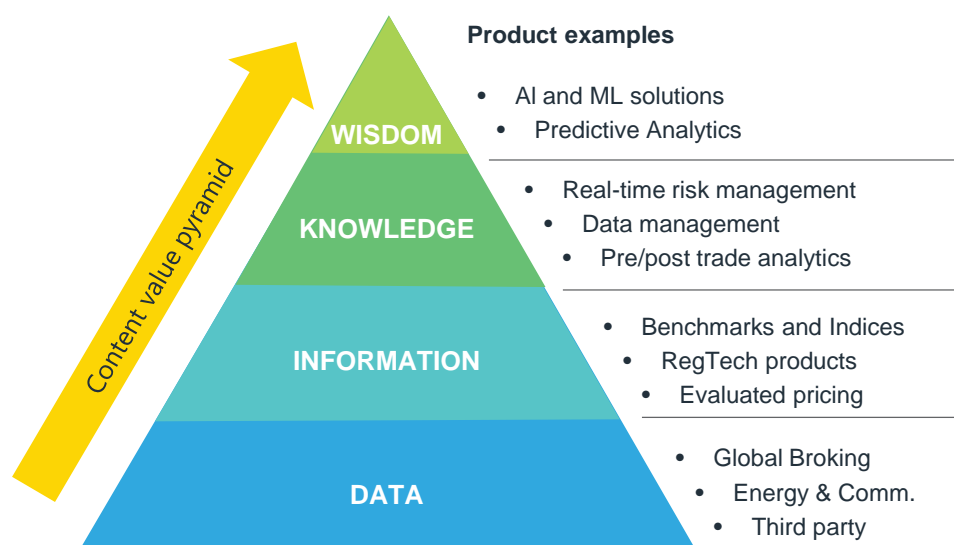


Source: Burton Taylor International Consulting

With this strategy, TP ICAP aims to sustain the growth of its Data & Analytics business, which experienced double-digit growth in contribution and operating profit between 2017 and 2019, compared to overall revenue for the industry, which grew by a CAGR of 4.5 per cent. between 2014 and 2019 (according to Burton-Taylor International Consulting). In particular, the expected stickiness of revenue from the Data & Analytics subscription business is anticipated to contribute to the achievement of revenue growth targets.

The specific elements of TP ICAP's Data & Analytics business strategy are set out below.

- **Product strategy:** TP ICAP's product strategy is focused on moving up the content value pyramid illustrated below.

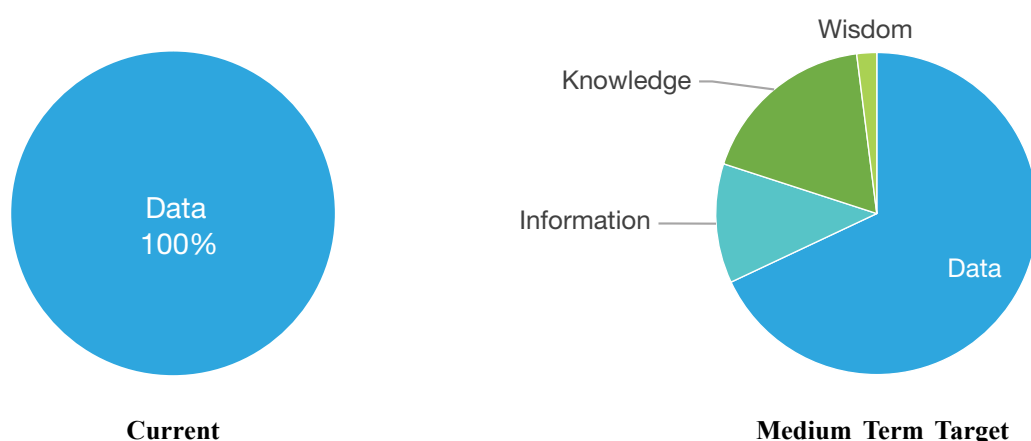


Historically, the focus of the Data & Analytics business has been on data products, including 25 new products launched since 2018. In 2020, 32 per cent. of TP ICAP's sales were from new products. TP ICAP aims to improve its profitability by moving up the value pyramid, as products higher up the value pyramid are expected to generate higher revenue and profitability, and expand its market presence to a broader range of clients, particularly asset managers and hedge funds.

TP ICAP launched its first information only product, Bond Evaluated Pricing (**BEP**), in 2020, and intends to further expand its product portfolio. Data & Analytics intends to continue to focus on higher value solutions areas, such as pre- and post-trade analytics (knowledge products), indices such as for LNG and interest rates (information products), as well as new data products, resulting over time in a diversified revenue mix of data, information, knowledge and wisdom products.

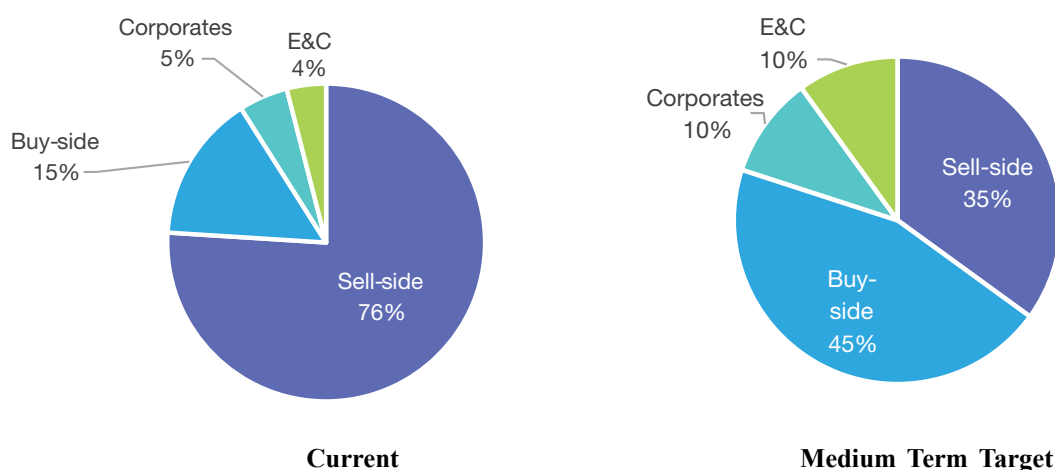
The below represents the TP ICAP Group's current and target product mix:

**Target product mix (% revenue)**



- Client strategy:** TP ICAP's client strategy is focused on diversifying and expanding its client base. As of 30 September 2020, sell-side, buy-side, corporate and energy and commodities clients accounted for approximately 76 per cent., 15 per cent., 5 per cent., and 4 per cent. of TP ICAP's Data & Analytics client base, respectively. TP ICAP intends to shift its emphasis to buy-side clients, with new information and knowledge products designed for unmet buy-side needs, including regulatory requirements for neutral and observable data, advanced analytics and benchmarks and index information. TP ICAP also intends to develop client segment-focused sales teams for each of sell-side, buy-side and corporate and energy and commodities segments. In addition, TP ICAP aims to diversify its energy and commodities client base by expanding products that include real time oil and distillates, providing direct display solutions and utilising new proprietary data. This diversification of TP ICAP's Data and Analytics client base is expected to triple its Data and Analytics revenue from the Energy & Commodities business. Through the implementation of its client strategy discussed above, TP ICAP aims to establish a more buy-side centric client mix in the medium term as shown below:

**Client mix (% of clients)**

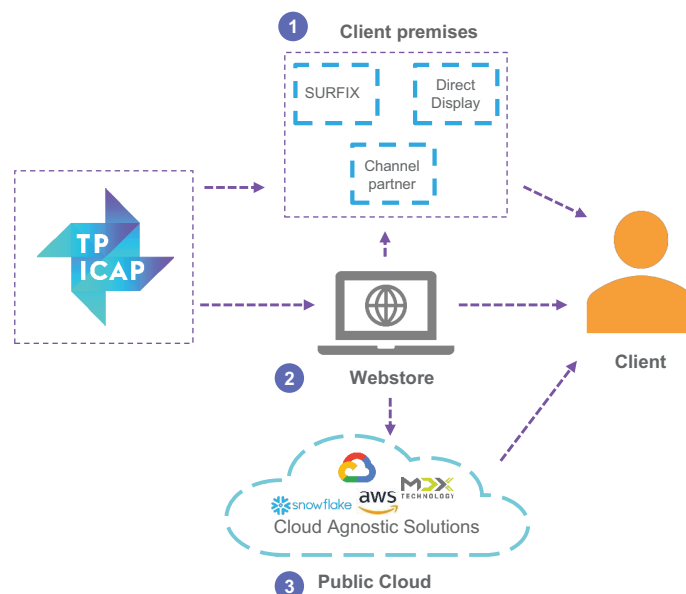


- Distribution strategy:** TP ICAP's distribution strategy is aimed at enabling clients and diversifying channel partners. Enabling clients involves improving optionality and accessibility through new initiatives that provide three key ways by which clients can access TP ICAP's Data & Analytics products—direct data delivery to clients' premises, direct purchase through TP ICAP's Web store, and via cloud providers. Improving client optionality and accessibility is expected to increase client sales by providing customers with greater flexibility and lowering costs of ownership, while also reducing TP ICAP's operational expenditures through its offering of cloud-based off-premises access to Data & Analytics products. As of the date of this Prospectus, TP ICAP has broadened its channel partner relationships to include new OMS/



EMS partners and public cloud providers, and expects to continue to expand its distribution channels and offer greater choice for clients.

### Client Enablement Strategy—Providing Optionality



In the medium term, the TP ICAP Group will target a revenue CAGR of approximately 11 per cent for Data & Analytics. The TP ICAP Group will also aim to achieve a Data & Analytics contribution margin of approximately 50 per cent. by 2023 and approximately 53 per cent. in the medium term. Additionally, the TP ICAP Group will aim to achieve a Data & Analytics operating margin of approximately 45 per cent. by 2023, rising to approximately 48 per cent. in the medium term.

#### (k) Corporate Centre

The TP ICAP Group's Corporate Centre division provides support staff and infrastructure to its business divisions, including technology, compliance, risk, finance, HR, legal and other essential services.

## 7. RISK MANAGEMENT AND CAPITAL

### 7.1 Risk Management

Effective risk management is essential to the financial strength and resilience of the TP ICAP Group and for setting and achieving its business objectives. This section provides a summary of how risk is managed by the TP ICAP Group through its Enterprise Risk Management Framework and describes the TP ICAP Group's principal risks.

#### (a) Enterprise Risk Management Framework

In 2019, the TP ICAP Group undertook a review of its global risk management framework to take into account the increased scale and diversity of its business and to respond to regulatory expectations. As a result of this work, the TP ICAP Group introduced a new Enterprise Risk Management Framework (ERMF) in the second half of 2019.

The purpose of the ERMF is to enable the TP ICAP Group to understand and manage the risks it is exposed to in line with its stated risk appetite. The ERMF comprises three mutually reinforcing components: a sound risk management culture, a comprehensive risk management and governance structure and a range of risk management processes.

The TP ICAP Group has undertaken a range of actions to develop and implement its new risk management framework to ensure that its risk management capability appropriately reflects the scale and diversity of the TP ICAP Group's business activities and is in line with regulatory requirements. The framework continues to evolve with the objective of improving the TP ICAP Group's risk management capability and supporting the delivery of the TP ICAP Group's business strategy.

The Directors believe that a robust risk management framework will enable TP ICAP Group to help maintain the integrity and professionalism of the markets in which it operates. The Directors also believe that it is a competitive differentiator, particularly as the TP ICAP Group seeks to win new clients who in their selection of service providers look beyond liquidity and pricing.

**(b) Risk management culture**

The TP ICAP Group recognises that in order to ensure the effective operation of the ERMF, it must implement an appropriate risk management culture that fosters the desired risk management values and behaviours and that is aligned to TP ICAP's values. This includes promoting an environment of openness that encourages the reporting and discussions of risk related incidents.

The TP ICAP Group seeks to achieve the implementation of its risk management culture through a range of actions. These include the setting of an appropriate 'tone-from-the-top', clear communication of risk management expectations and responsibilities, and through remuneration structures that effectively support the achievement of the desired risk management behaviours.

**(c) Risk management and governance structure**

The Board has overall responsibility for the management of risk within the TP ICAP Group which includes:

- defining the nature and extent of risks it is willing to take in achieving its business objectives through formal risk appetite statements;
- ensuring that the TP ICAP Group has an appropriate and effective risk management and internal control framework; and
- monitoring the TP ICAP Group's risk profile to ensure that it remains within the TP ICAP Group's defined risk appetite.

The TP ICAP Group's risk governance structure seeks to ensure the effective oversight and management of risk through the implementation and operation of the ERMF. It comprises:

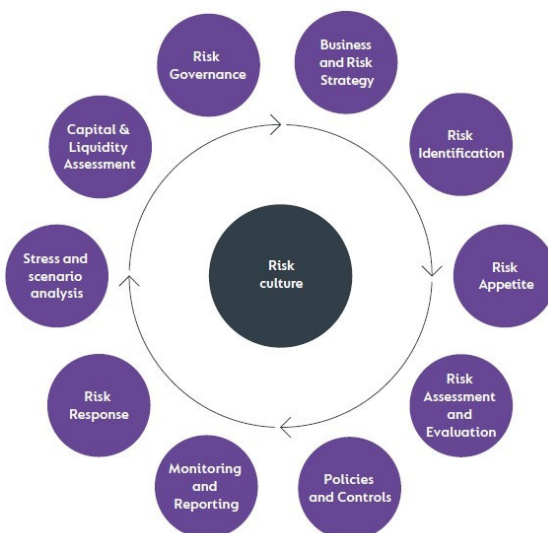
- the Board Risk Committee;
- the Group Risk, Conduct and Culture Committee; and
- the Regional Risk, Conduct and Culture Committees (in each of EMEA, the Americas and Asia Pacific).

The TP ICAP Group has implemented a risk management governance structure based on the industry- standard 'three lines of defence' that segregates risk management (first line of defence) from risk oversight (second line of defence) and independent risk assurance (third line of defence):

- *First line of defence—Risk management within the business:* The first line of defence comprises the management of the business units and support functions. It has primary responsibility for ensuring that the business operates within its risk appetite on a day-to-day basis.
- *Second line of defence—Risk oversight and challenge:* The second line of defence comprises the Risk and Compliance functions, which are separate from operational management. The Compliance function is responsible for overseeing the TP ICAP Group's compliance with regulatory requirements. The Risk function is responsible for overseeing and challenging the business, support and control functions in their identification, assessment and management of the risks to which they are exposed, and for assisting the Board (and its various committees) in discharging its overall risk oversight responsibilities.
- *Third line of defence—Independent assurance:* Internal Audit provides independent assurance on the design and operational effectiveness of the TP ICAP Group's risk management framework and associated activity.

#### (d) Risk management processes

The ERMF sets out the core risk management activities undertaken by the TP ICAP Group to identify, assess and manage its risk profile within the prescribed risk appetite.



#### (e) Risk strategy and risk appetite

The Board is responsible for setting the risk strategy and risk appetite which together provide the overarching context for the TP ICAP Group's risk management activity.

The risk strategy defines the risk objectives which must be met for the TP ICAP Group to achieve its business strategy and ensure that the TP ICAP Group focuses on those risk issues which are of most significance to the TP ICAP Group. The TP ICAP Group has defined the following risk objectives:

- *Financial position*—The TP ICAP Group's objective is to maintain a robust financial position in both normal and stressed conditions, to be achieved by maintaining profitability, ensuring capital resources and liquidity resources are sustained at levels that reflect the TP ICAP Group's risk profile, and maintaining access to capital markets.
- *Operational effectiveness and resilience*—The TP ICAP Group's objective is to ensure that operational processes and infrastructure operate effectively and with an appropriate degree of resilience.
- *Regulatory standing*—The TP ICAP Group's objective is to maintain its good standing with all of its regulators and to fully comply with all applicable laws and regulations to which the TP ICAP Group is subject.
- *Reputation*—The TP ICAP Group's objective is to maintain its reputation as an unbiased intermediary in the financial markets, with market integrity and the fair treatment of clients being at the heart of its business.
- *Business strategy*—The TP ICAP Group's objective is to adopt and execute a well-defined business plan which ensures the continued viability and growth of the TP ICAP Group's business, and to ensure that the TP ICAP Group does not undertake any activity which could undermine its ability to meet its strategic goals.

The risk appetite statement provides the Board's strategic view of the TP ICAP Group's attitude to, and appetite for, particular risk types to inform the more detailed articulation and operationalisation of risk appetite throughout the TP ICAP Group. The TP ICAP Group implements its risk appetite statements through the adoption of risk metrics and thresholds at individual risk level. These thresholds constitute the operational parameters within which the first line of defence must operate on a day-to-day basis.

The risk strategy and risk appetite are reviewed by the Board on at least an annual basis and more frequently when required to address a change in the TP ICAP Group's business or risk profile.

## 7.2 Regulation

The TP ICAP Group is subject to minimum capital requirements set by various regulators of its worldwide businesses. Adherence to the stipulated capital ratios and requirements is extremely important to the on-going operations and business of the TP ICAP Group. The Company and the TP ICAP Group are subject to prudential requirements, including regulatory capital requirements, under CRD IV/CRR and, post-Brexit, under the Onshored CRR. In this regard, the TP ICAP Group is under the FCA's consolidated prudential supervision, subject to the Consolidation Waiver in respect of certain UK regulated entities. The TP ICAP Group consists of a number of 'investment firms', as defined in CRD IV, and each investment firm is required to comply with prudential requirements under CRR/Onshored CRR on a solo basis. In accordance with CRR/Onshored CRR, each investment firm is also required to comply with own funds and capital buffers on the basis of the consolidated situation of TP ICAP plc. However, the UK FCA granted TP ICAP the Consolidation Waiver which provided for derogation to the application of own funds requirements and the capital buffer requirements for the TP ICAP Group on a consolidated basis subject to certain conditions set out in the Consolidation Waiver. The terms of the waiver require the TP ICAP Group to eliminate the excess of its consolidated own funds requirement compared with its consolidated own funds (**Excess Goodwill**) over the ten-year period to 30 December 2026. The amount of the Excess Goodwill must not exceed the amount determined as at the date the waiver took effect (the **Excess Goodwill Ceiling**). The Excess Goodwill Ceiling is reduced to nil in line with a schedule over ten-years to December 2026, with the first reduction of 25 per cent. having occurred at the end of June 2019. The Excess Goodwill Ceiling continues to reduce 25 per cent. every 2.5 years on a straight line basis. The TP ICAP Group expects to reduce its Excess Goodwill in accordance with the declining Excess Goodwill Ceiling. The Consolidation Waiver also sets out conditions with respect to the maintenance of financial ratios relating to leverage, debt service and debt maturity profile.

As part of the proposed Redomiciliation the TP ICAP Group will introduce a Jersey-based holding company as the new ultimate holding company for the Enlarged Group. Consequently, the TP ICAP Group will be required to comply with the relevant requirements of CRD IV and CRR (and post-Brexit onshored CRR) on a sub-consolidated basis, meaning on the basis of the consolidated position of the relevant entity comprising a parent institution in a member state as opposed to the TP ICAP Group's ultimate parent institution domiciled in Jersey. It is anticipated that the TP ICAP Group will no longer need to maintain the Consolidation Waiver once it has effected the TP ICAP Group Redomiciliation. Part XIV:—"Regulatory Overview" of this Prospectus contains further information on the regulatory environment that will apply to the Enlarged Group following the Completion of the Acquisition.

## 7.3 Capital structure

The TP ICAP Group is financed through shareholders' equity and debt. The TP ICAP 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 TP ICAP 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 TP ICAP Group also has recourse to the Revolving Credit Facility, which is committed in the amount of £270 million.

## 8. BREXIT READINESS

The TP ICAP Group continues to undertake Brexit readiness planning to ensure it can operate effectively and service its clients across the EU regardless of the ultimate outcome of trade negotiations between the EU and the UK.

As part of its planning, the TP ICAP Group has established and capitalised a new company in France, TP ICAP Europe S.A., to transact the TP ICAP Group's trading business in France, Germany, Spain and Denmark. The TP ICAP Group has also established three new trading venues in the EU, one multilateral trading facilities (**MTF**) and two organised trading facilities (**OTFs**), so that all of the TP ICAP Group's activity in the EU is now conducted on MiFID II compliant venues.

The TP ICAP Group intends to protect the business it transacts for EU-based clients through broking desks in the UK by increasing the number of front-office staff in its EU offices and changing workflows.

Due to the extraordinary circumstances relating to the COVID-19 pandemic, it has not been possible to complete this move of brokers to its EU-based offices yet. Following discussions with its lead regulators, the Group believes that, as a temporary measure, those lead regulators will allow the Group to continue to provide

services to clients based in the 27 countries of the EU using London-based brokers acting on behalf of its UK-regulated entities, in order to support the stability and connectivity of the markets.

The TP ICAP Group's acquisition of Louis Capital has significantly increased the TP ICAP Group's presence in the EU, adding approximately 65 brokers to the headcount.

The TP ICAP Group continues to liaise with clients to understand what plans they have so that the TP ICAP Group can continue to provide them with a high quality service. Moreover, the TP ICAP Group continues to expect the UK to remain a major centre for financial, energy and commodities markets.

## **9. INFORMATION TECHNOLOGY AND INFRASTRUCTURE**

The TP ICAP Group deploys a number of computer and communication systems and networks to operate its broking business, including front office broking platforms available to clients 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 commissions. The TP ICAP Group deploys back office systems for invoicing clients, for financial reporting and to support administrative functions. The TP ICAP Group's systems form an integral part of the services offered to clients who rely on them to facilitate their activities. The capability, availability and performance of these systems are a significant factor in the TP ICAP Group's ability to attract and maintain client business.

TP ICAP recognises the importance of technology to the future success of the Enlarged Group, and as such continues to invest in its technology systems in line with its overall strategy. Internally, the TP ICAP Group has established IT Development and Support capabilities across key centres in New York, London, Belfast, Singapore and Manila, facilitating the delivery of key initiatives. In addition, the TP ICAP Group intends to continue to partner with specialist third party vendors across a range of technologies to accelerate and scale its capabilities, and to drive innovation.

In addition, in 2019, the TP ICAP Group successfully completed the integration of Tullett Prebon and ICAP, which resulted in the decommissioning of a number of platforms and the streamlining of processes and procedures.

In recent periods, the TP ICAP Group has made investments in the development and launch of new electronic platforms, straight-through processing functionality and associated technology infrastructure. For example, the TP ICAP Group's global broking credit business launched two new platforms in the U.S. in 2019. The first was Matchbook, a portfolio optimisation bond platform, and the second was Crosstrade, which has been designed to enable asset management firms to transition bonds between funds. The TP ICAP Group has also acquired a fintech company, ClearCompress, that provides a market leading bilateral compression service in cleared and uncleared interest rate swaps.

The TP ICAP Group's Energy & Commodities division has developed an electronic whiteboard, which when fully deployed, is expected to enable better sharing of liquidity across the broking desks, automatic price calculations, and straight through processing of executed trades. The TP ICAP Group continues to explore emerging and innovative technologies, for example Machine Learning, with a view to maximise business value by increasing liquidity share and driving down the overall cost of execution.

The TP ICAP Group continues to invest in its IT infrastructure and operational processes to maintain system resilience and reliability and to ensure that its technology services meet the evolving needs of its clients. A recent example is the provision of virtual desktops and voice collaboration services in the cloud to rapidly support new ways of working as a result of the Covid-19 pandemic, which enabled the TP ICAP Group to continue to operate markets without disruption.

The TP ICAP Group operates regionally paired, highly resilient datacentres in London, New York and Singapore. These datacentres are supported by separate power and network connectivity and are designed to support the TP ICAP Group's systems in full, with critical data replicated between the sites in near real time. Data centres are connected through a wide area network designed to provide resilient interconnectivity capable of supporting the distributed technology and communication requirements. The TP ICAP Group leverages third party cloud hosting services to complement and enhance the capabilities of its data centres. Furthermore, the TP ICAP Group believes that its core electronic trading systems have reserve capacity, or are easily scalable, to handle trade volumes significantly higher than current peaks. Performance testing of key systems has shown that the TP ICAP Group's IT infrastructure is capable of supporting a significant uplift in order and execution rates while maintaining site resilience.

The TP ICAP Group views IT security as being a key part of its technology and overall business strategy and has invested significantly in improving its cyber defence capability via a two-year remediation programme providing multi-layer defences with in depth capability to protect the TP ICAP Group's systems and data.

## 10. PROPERTIES

As of 30 September 2020, the TP ICAP Group occupies approximately 70 offices globally, using conventional lease agreements. These offices are distributed throughout EMEA, the Americas, and the Asia-Pacific regions, with key office locations situated in London, Belfast, Paris, New York, New Jersey, Hong Kong, Singapore, Tokyo and Sydney.

## 11. EMPLOYEES

### 11.1 Overview

The TP ICAP Group's principal offices are located in London, New York, New Jersey, Singapore, Hong Kong and Tokyo, with its two largest offices located at London and New York. The TP ICAP Group has also increased its shared service centre in Belfast which as of 30 September 2020, had approximately 300 employees working in a number of different functions including operations, IT services, human resources and procurement.

As at 30 September 2020, the TP ICAP Group's total headcount, including employees and contractors was 5,035. This total included 3,011 revenue generating employees, with the remainder split across broker support and support functions.

The following table shows the total headcount of the TP ICAP Group by region at the end of the periods indicated.

	Year ended 31 December			Nine months ended 30 September
	2017	2018	2019	2020
EMEA . . . . .	2,279	2,193	2,319	2,435
Americas . . . . .	1,591	1,553	1,546	1,512
Asia Pacific . . . . .	1,037	998	1,043	1,088
<b>Total<sup>(1)</sup></b> . . . . .	<b>4,907</b>	<b>4,744</b>	<b>4,908</b>	<b>5,035</b>

**Note:**

(1) Total headcount shown is based on active employees and contingent workers' physical headcount at the end of the specified period, not including anyone on long term disability or consultants or third parties.

The TP ICAP Group categorises employees as either revenue-generating or non-revenue generating staff. Those in the four business divisions considered client-facing and revenue-generating (Global Broking, Energy & Commodities, Institutional Services and Data & Analytics) are considered "front office" staff, whereas all Corporate and Support employees are considered "back office" staff.

The TP ICAP Group has certain employees who are directly related to broker support who play an important role in the overall operation of the TP ICAP Group's business, including Operations, Risk and Compliance. Employees in these teams provide direct support and control over the front office revenue-generating employees as well as the wider business.

Generally, TP ICAP Group employees are not subject to any collective bargaining agreements, except for certain of its employees based in its EMEA offices that are covered by the national, industry-wide collective bargaining agreements relevant to the countries in which they work.

### 11.2 Focus on people, business conduct and compliance

The TP ICAP Group aims to continue to attract, develop and retain the very best talent and provide a respectful and enjoyable workplace that supports innovation and high performance with opportunities for continuing personal and professional development. The TP ICAP Group believes that a robust culture of business conduct and regulatory compliance is essential to the TP ICAP Group's position as a trusted operator in highly regulated markets. The TP ICAP Group's newly-created regional chief executive officer positions ensure high standards of conduct and compliance and improved communication with various regulatory bodies.

### **11.3 Diversity and inclusion**

The TP ICAP Group seeks to ensure that current and prospective employees from diverse backgrounds view the TP ICAP Group as an inclusive place to work and that everyone has an equal opportunity to join and progress. Having more diverse teams brings diversity of thought—meaning smarter decisions and more innovation which help drive the business forward.

The TP ICAP Group’s goal is to ensure that all employees:

- are fairly and proportionately represented within its workforce at all levels;
- have equal opportunities to progress their careers within the TP ICAP Group;
- are not subject to remuneration barriers as a result of their gender, race, religion, age, sexual orientation, gender identity, or disability; and
- can achieve a positive and fulfilling work experience, feeling both supported and respected.

## **12. COMPETITION**

The TP ICAP Group encounters competition in the market infrastructure space. It competes primarily with other inter-dealer brokers, exchanges, electronic platforms, fintech companies, market data and information vendors and software companies. Competition has intensified in certain areas in recent years due to a difficult economic backdrop and the impact of changes in market structure on TP ICAP Group’s clients. Certain competitors to TP ICAP Group have also discounted their offerings to attract and retain new business, and have also offered significant remuneration packages to attract new staff.

The TP ICAP Group has adopted a proactive approach to client engagement and client experience. It has focused on improving the attractiveness of the organisation as a place to work for employees. It also defends itself efficiently against aggressive poaching practices by competitors.

## **13. INTELLECTUAL PROPERTY**

The TP ICAP Group regards its technology and intellectual property rights, including its brands, as a critical part of its business. The TP ICAP Group holds various trademarks and trade names and relies on a combination of patents, copyrights and trademarks, as well as contractual restrictions, to establish and protect its intellectual property rights.

The TP ICAP Group has registered a number of its important trademarks, such as “TP ICAP” and the TP ICAP logo in certain jurisdictions (including the UK and United States), through which the TP ICAP Group markets the majority of its products. The TP ICAP Group also owns registrations for certain key domain names for the TP ICAP Group and its operating brands.

The TP ICAP Group regards certain aspects of its internal operations, software and documentation as proprietary, and relies on a combination of contracts, copyrights, trademarks and confidentiality agreements to protect its proprietary information and its intellectual property rights in its software. The TP ICAP Group does not routinely file patent applications covering its software or methodologies. The TP ICAP Group grants licences for the use of its proprietary software to its clients and certain business associates. It does not licence its proprietary software to other third parties. Software developers are employed by the TP ICAP Group under employment contracts and consultancy agreements under which the TP ICAP Group retains the intellectual property rights to developed products.

## PART XIII

### BUSINESS OVERVIEW OF THE LIQUIDNET GROUP

#### 1. INTRODUCTION

Liquidnet is a leading global electronic trading network where nearly 1,000 buy-side clients globally come to execute their large trades with maximum anonymity and minimum market impact in the equities and fixed income markets. Liquidnet has acted as a trusted partner to its clients for 20 years and its platform is fully integrated into their end-to-end workflows.

Liquidnet is composed of three business divisions, Equities, Fixed Income and Investment Analytics:

- **Equities:** Equities is Liquidnet's largest and most established business, servicing nearly 1,000 equity buy-side clients across 45 markets and focusing on low-touch large size dark trade execution, including buy-side to buy-side block trading and algorithmic trading. Liquidnet offers its customers a range of intelligent execution options, workflow solutions and liquidity sourcing techniques. Liquidnet's platform can be accessed via desktops, most OMS and EMS, and via Liquidnet's Global Trading Desks. Equities clients provided approximately \$62 billion of global average daily liquidity over the first nine months of 2020;
- **Fixed Income (Credit):** Connecting the liquidity of more than 500 fixed income buy-side clients globally, Liquidnet's Fixed Income division offers intelligent execution solutions for U.S. and European corporate bonds, and emerging market bonds, with a focus on facilitating large client-to-client (C2C) trades via protocols designed to minimise information leakage. The Liquidnet platform offers connectivity via major OMS and EMS. Over the first nine months of 2020, Liquidnet's Fixed Income clients provided approximately \$17 billion of average daily liquidity; and
- **Investment Analytics:** Liquidnet's Investment Analytics division allows traders and investors to analyse, filter and organise data through artificial intelligence, machine learning and natural language processing. Liquidnet's data-driven approach to market intelligence is designed to help traders and portfolio managers more easily distil relevant information and streamline the investment decision-making process.

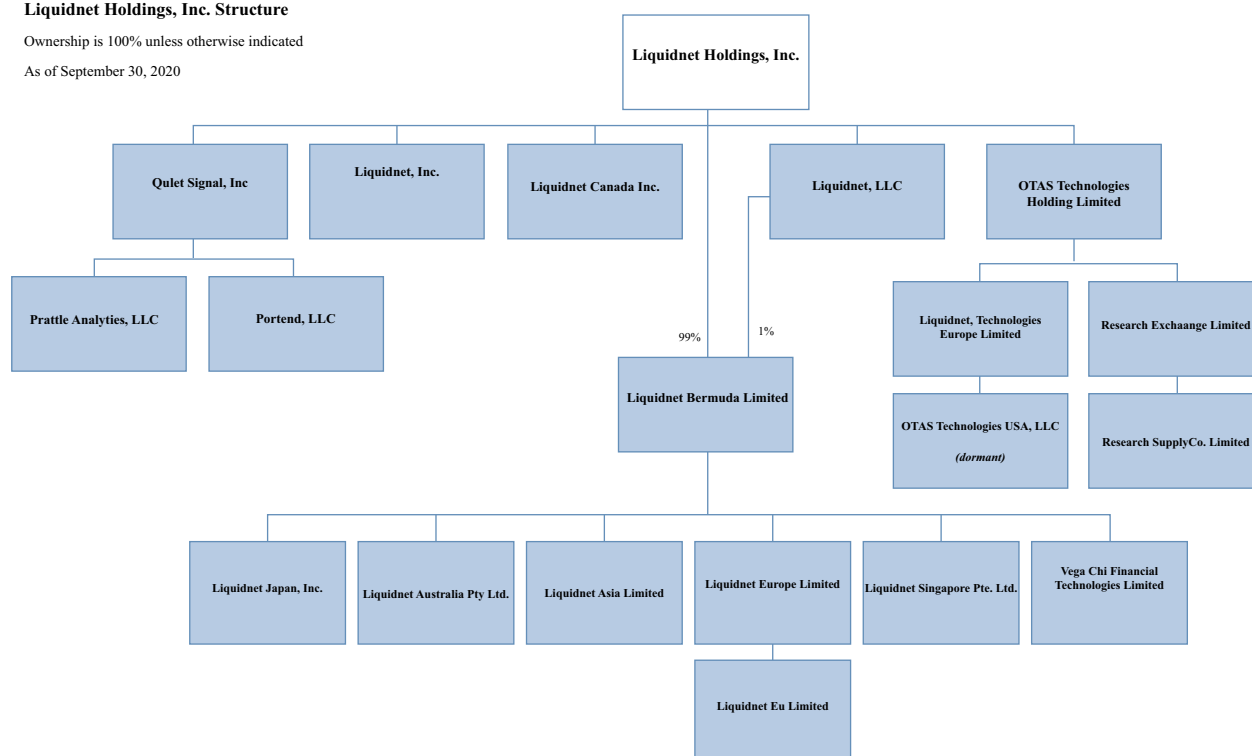
Liquidnet's global institutional investment network connects institutions to liquidity in equities and fixed income through its global electronic trading ecosystems. Its equities and fixed income core crossing functionality allows clients to trade large blocks of stock and bonds without intermediaries and with minimum information leakage. Liquidnet's network is based on last-mile connectivity via its customers' order management systems. Liquidnet also offers a premium suite of algorithms (**Algos**) specifically designed for institutions and their unique workflows. Liquidnet's global suite of liquidity-seeking, benchmark, and portfolio trading Algos for equities, opportunistically seek liquidity in Liquidnet's pool and in multiple other dark and lit venues, to help clients achieve their execution objectives. Between 2015 and 2019, the amount of global volume traded via Liquidnet's equities algorithmic platform grew by approximately 237 per cent.



## Liquidnet Holdings, Inc. Structure

Ownership is 100% unless otherwise indicated

As of September 30, 2020



## 2. HISTORY

Founded in 1999, Liquidnet's nearly 450 employees are largely based in its New York headquarters. In addition, the Company has offices globally in London, Boston, San Francisco, Toronto, Dublin, Hong Kong, Singapore, Tokyo and Sydney.

## 3. STRENGTHS

Liquidnet's business continues to benefit from a strong competitive position and its principal strengths are as follows:

- Liquidnet enjoys unique positioning within its industry and has acted as a trusted brand and partner to its buy-side clients for more than 20 years. Liquidnet is fully integrated into their end-to-end workflows, including their signature institutional desktop trading applications and via integrations with major order/execution management systems.
- Anchored by one of the world's largest pools of buy-side liquidity, Liquidnet is a leader in global institutional equities block trading with an unconflicted agency-only business model that has resulted in a meaningful market share and deep liquidity in a large addressable market as well as growing international presence in 45 markets worldwide. Liquidnet's equities trading solutions provided approximately \$62 billion of average daily liquidity in the first three quarters of 2020, whereas its Fixed Income network contributed approximately \$17 billion in global average daily liquidity during the first nine months of 2020.
- Liquidnet has a strong track record of growth and innovation across multiple geographies, asset classes and products.
- Liquidnet's equities offering includes a leading agency-only block trading platform, providing execution solutions, liquidity-sourcing techniques across dark and lit markets, algorithmic and quantitative models, and advanced analytics designed to help maximise performance.
- Liquidnet is led by an experienced management team with proven ability to lead a fast-growing electronic global platform business.

## 4. BUSINESS STRATEGY

The Directors believe that, by bringing together the TP ICAP Group's product expertise, dealer relationships and connectivity with Liquidnet's nearly 1,000 buy-side global clients, it can accelerate Liquidnet's growth and

development and achievement of its strategic vision to create a global institutional investment network. Combining the complementary strengths of TP ICAP and Liquidnet is expected to open the way to delivering innovative market solutions to a broader range of institutions across both regions and major asset classes.

Following Completion of the Acquisition, the Enlarged Group will target a CAGR of 17 per cent. for Liquidnet revenue over the first three years following Completion of the Acquisition. Over the medium term, the Enlarged Group will target an adjusted EBITDA margin of approximately 35 per cent. These targets assume:

- **Equities.** Top-line growth in line with anticipated growth in market volumes and pricing trends, as well as low single-digit operating margin improvement;
- **Fixed Income (Credit).** Leveraging of Liquidnet's existing infrastructure, client base, and client connectivity through growing the dealer user base and connectivity, and expanding the range and functionality of D2C trading protocols. The Enlarged Group will target a corporate bond trading market (including U.S. and European corporate and emerging market bonds) share of between 3 and 6 per cent. by the third full year following Completion of the Acquisition, and approximately 8 per cent. by the fifth full year following Completion of the Acquisition; and
- **Fixed Income (Rates).** Building platform functionality and connectivity in years one and two, with revenue assumed from the third full year following Completion of the Acquisition.

## 5. INDUSTRY OVERVIEW

### 5.1 Overview of equities dark trading

Dark pools are networks that include privately held trading forums, exchanges or other regulated markets, providing a platform for the anonymous matching of buyers and sellers of securities, referred to as dark trading. Dark trading facilitates non-exchange-based trading practices between intermediaries interested in placing orders for the trading of specific securities without information leakage. Dark pools facilitate block trading by institutional investors that seek to trade large positions while avoiding the negative impact those trades may have on price as they are executed.

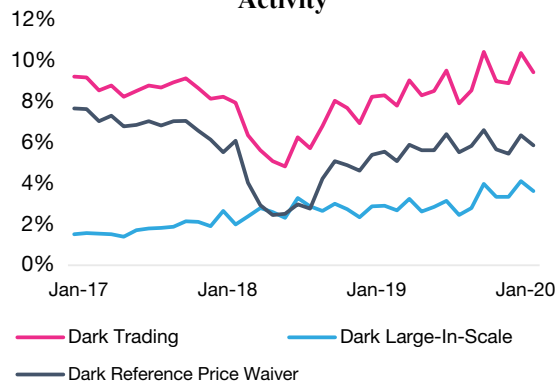
Dark trading is classified, as described below, according to the provider of the trading venue which provides the liquidity pool. Each type of dark trading pool offers different incentives to trading counterparties, which vary according to the venue provider and the composition of the market participants. Although the objective of each venue is to create liquidity and provide a service to the trader, each type of dark pool has specific attributes that may or may not benefit all clients. There are three basic types of dark pools:

- **Independent:** Independent dark trading operators are run by individual companies. Liquidnet is the only remaining global independent agency-only dark pool with significant scale;
- **Broker-Dealer Owned:** Broker-dealer owned dark trading pools are typically run by investment banks. These generally specialise in trade involving other banks or institutional investors. JPMorgan, Barclays Credit Suisse and UBS are a few examples of significant broker-dealer dark trading providers; and
- **Exchange Owned:** Exchange-owned dark trading pools provide access to institutional traders interested in off-exchange trading. Examples of exchange-owned dark pool providers are Turquoise, CBOE BATS and the International Securities Exchange (**ISE**).

The origin of dark trading can be dated back to 1980 and the enactment of rules exacted by the U.S. Securities Exchange Commission, which provided that any security listed on a given exchange after April 26, 1979 could be actively traded off the exchange in which it was listed. Since then, volumes which are traded anonymously off-exchange have significantly increased as major market participants now rely on dark pools to trade without creating adverse price movement and information leakage.

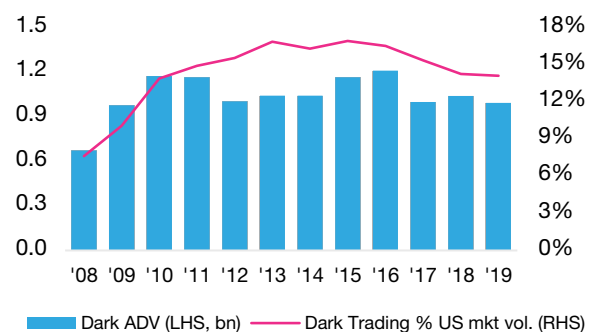
In 2019, dark trading represented approximately 15 per cent. of total market trading volume in the United States and approximately 10 per cent. of total trades concluded in European trading venues. In Asia Pacific, dark trading is mostly used in Hong Kong and Australia.

**EU Dark Trading as Proportion of On-venue Activity**



Source: BigXYT

**U.S. Dark Trading as Proportion of Market Volumes**



Source: Rosenblatt Securities

## 5.2 Overview of Fixed Income trading

The main asset classes traded included in Fixed Income trading are:

- **Rates:** global government bonds, securitised products, supranational and agency bonds, covered bonds and interest rate derivatives;
- **Credit:** U.S., European and Asian investment grade and high yield debt, emerging market bonds, U.S. municipal bonds, China bonds global credit derivatives; and
- **Money Markets:** repurchase agreements (Repos), agency discount notes, commercial paper and certificates of deposits.

Specific products in each of the above asset classes generally trade either on an exchange (or registered trading venue) or an OTC market. On an exchange or registered trading venue, transactions are completed through a centralised source, products are usually standardised and the systems are highly regulated. On OTC markets, fixed income trades are decentralised and feature bilateral market interactions which are quote-driven (follow prices) and segmented by the nature of participants, as follows:

- **Dealer-to-Dealer (D2D):** a market allowing only dealers (e.g. banks, sell-side institutions, and market-makers) to negotiate and trade with other dealers;
- **Dealer-to-Client (D2C):** a market allowing only dealers to negotiate and trade with buy-side clients;
- **Client-to-Client (C2C):** a market allowing only buy-side clients to negotiate and trade with other buy-side clients; and
- **All-to-All (A2A):** a market allowing any member, dealer or client, to negotiate and trade with any other member.

Traditionally, on the fixed income OTC markets, trading has been a manual process, with product and price discovery conducted by voice, over the telephone, between two or more parties. This process has a number of shortcomings, including the difficulty in matching buyers and sellers, primarily due to the lack of a central trading facility. In recent years, although many market participants have moved towards increasingly using electronic communications to address some of the limitations associated with telephonic trading, challenges remain in respect of limited liquidity, limited price transparency, significant transaction costs, compliance and regulatory challenges, and difficulty in executing numerous trades at one time. As a result, to maximise efficiencies, fixed income trading is gradually moving from voice towards electronic processing. Generally referred to as 'electronic trading' or 'electronification', the new technologies enabling this shift from voice trading have adapted to cover a variety of systems and activities across the trade lifecycle: execution (trading), clearing and settlement.

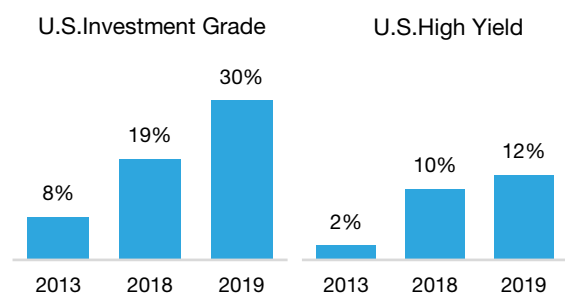
Even as market participants have taken action to make trading markets more efficient, a number of regulatory reforms since the 2008 financial crisis, including the Dodd-Frank Act, Basel III and MiFID II, have sought to increase transparency and reduce systemic risk in the fixed income market. These trends have contributed to an increased adoption of electronic trading on regulated markets where price transparency, clear trading protocols, and reporting tools (such as to demonstrate best execution) are essential components. The Volcker Rule, which limits proprietary trading by banks, has also had an impact, reducing dealer inventories and the ability of dealers to act as market-makers. As a result, dealers today provide much less 'risk' liquidity than they did

before the great pre-crisis, as it has become more costly, from a capital perspective, for them to hold securities in inventory.

The electronic fixed income trading market has also been experiencing strong growth in market volumes, driven by growing levels of corporate and government debt issuance, and the rising popularity of ETFs. The competitive landscape for fixed income trading includes MarketAxess, Tradeweb and Bloomberg, which currently account for most of the fixed income trading volume.

Despite the growth over the last decade, there remains significant potential for continued adoption of electronification across fixed income markets, particularly as some markets have not yet fully migrated due to the diverse and heterogeneous nature of instruments, or as participants have traditionally operated in a more relationship-driven environment. The trend towards electronic trading is expected to continue as market participants become more comfortable shifting away from voice trading.

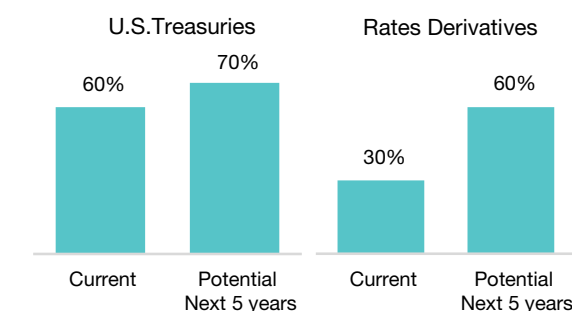
#### Growth in Corporate Bonds Electronic Trading Volume



Source: SIFMA, Electronic Trading Market Structure Primer 2019

Note: Based on percentage of total trading volumes (notional value of bonds traded)

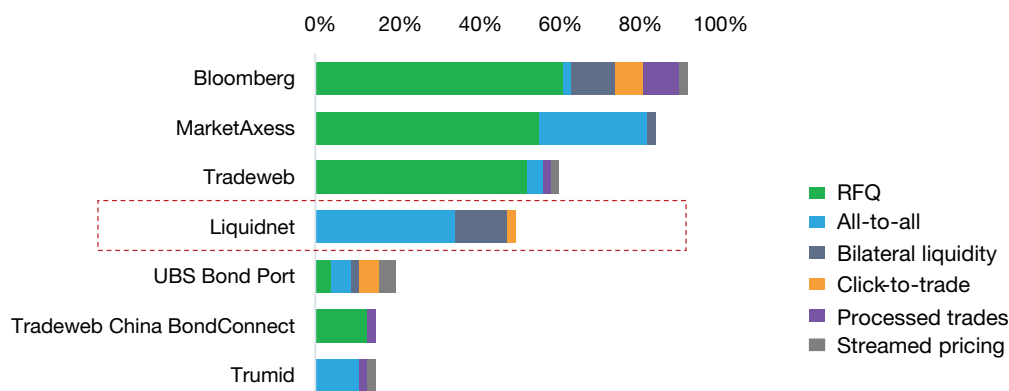
#### Increase in Electronification in Rates



Source: Management estimates based on industry sources

Liquidnet is one of the platforms used most frequently by buy-side traders globally, in terms of order flow, connecting the liquidity of more than 500 buy-side fixed income clients.

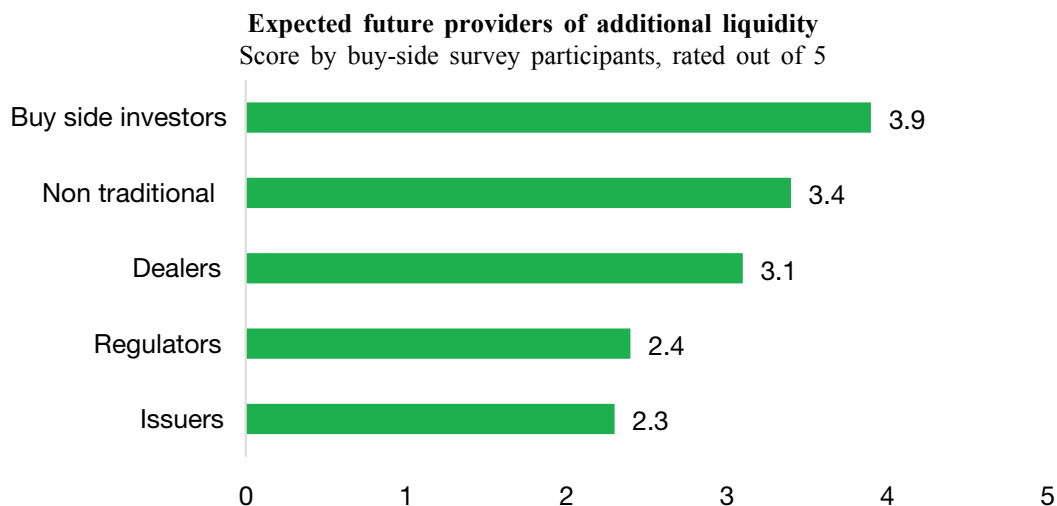
#### Trading Platforms Used, Split by Trading Protocol



Source: The DESK, March 2020

However, Liquidnet's overall transaction activity is lower than other platforms, because it has specialised in buy-side-to-buy-side trading, via dark matching and negotiation, in corporate bonds, which accounts for only approximately 1 to 2 per cent. of overall fixed income trading activity.

As reflected in the chart below, the expectation of many market participants is that trading between buy-side investors will continue to grow. Despite this trend, because it is the underlying asset managers who effectively "own" the liquidity, most buy-side traders are not yet comfortable with being "price makers", and, thus, trade negotiations are subject to the risk of failure.



Source: Trading Intentions Survey 2020, The DESK, March 2020

At present, the dominant electronic protocol in the corporate bond market is dealer-to-client RFQ, where asset managers ask dealers electronically for a quote on an order on a name-disclosed basis, receive back quotes, and have the option to execute the best quote. Liquidnet launched an initial RFQ capability for the U.S. corporate bond market in the fourth quarter of 2020. The main barrier to entry in electronic RFQ-based trading is client and dealer connectivity to the electronic trading venue, rather than liquidity, because transactions are initiated/consummated bilaterally.

## 6. BUSINESS OVERVIEW

### 6.1 Reporting segment

The table below presents the Liquidnet Group's revenue and operating profit by geographical location for the financial years ended 31 December 2017, 2018 and 2019, and for the nine months ended 30 September 2020 and 30 September 2019, respectively. The Liquidnet Group's business is organised into a single reporting segment. The following segmental analysis is not a requirement for the Liquidnet Group under IFRS8 but has been incorporated to align to TP ICAP's financial statement disclosure notes and represents an analysis of the Liquidnet Group's results by geographical location.

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(\$ million)			(\$ million)	
Revenue by geographic segment					
EMEA . . . . .	125.7	146.2	128.7	92.1	106.0
Americas . . . . .	156.4	150.4	126.9	97.2	108.5
Asia Pacific . . . . .	36.2	44.8	46.6	36.3	40.1
Total revenue . . . . .	318.3	341.5	302.2	225.7	254.6
Operating profit by geographic segment					
EMEA . . . . .	40.7	79.0	52.4	37.6	39.6
Americas . . . . .	27.5	(37.8)	(66.1)	(43.8)	(41.6)
Asia Pacific . . . . .	3.7	13.5	10.1	9.1	8.8
Total operating profit . . . . .	71.9	54.7	(3.6)	2.9	6.7

For additional Liquidnet Group financial information, including its Adjusted EBITDA, see Part XVII "Selected Financial Information of the Liquidnet Group."

### 6.2 Clients

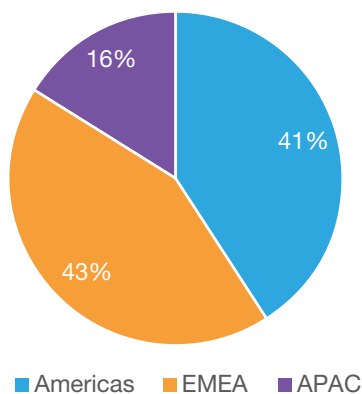
Participants in the Liquidnet network include:

- Asset managers (including mutual, hedge, pension and retirement funds) that meet certain criteria, including minimum assets, long-term investing style and trading activity standards;

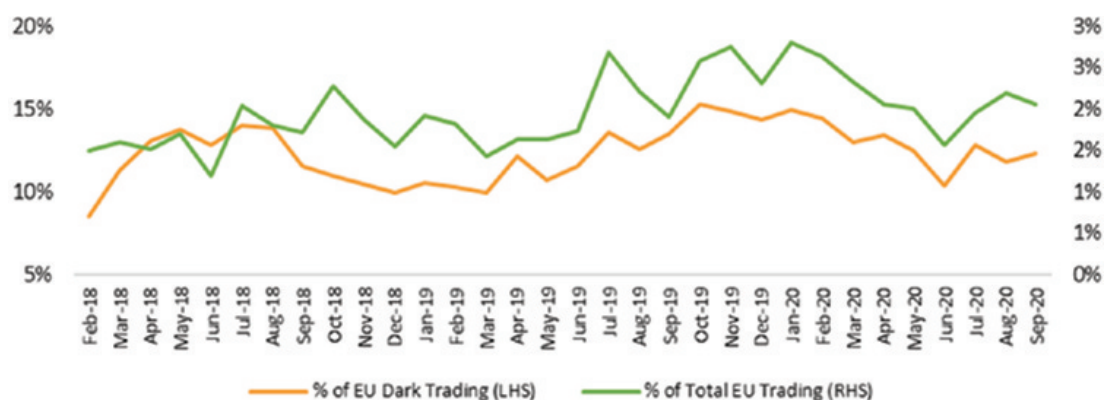
- Investment banks and marketplaces that contribute liquidity;
- Corporates that want to access Liquidnet's global reach of institutional investors; and
- Sell-side research providers.

Liquidnet's network includes more than 1,000 buy-side clients, comprising institutional investment firms (including asset management, pension fund and hedge funds), as well as 150 brokers, dealers, and investment banks, over 65 exchanges, alternative trading systems, multilateral trading facilities and other venues, over 45 data providers, and over 425 research providers that support investment and trade decision-making and execution.

The chart below reflects the Liquidnet Group's revenue mix by region for 2019:



The chart below reflects the Liquidnet Group's market share in Europe as of September 2020:



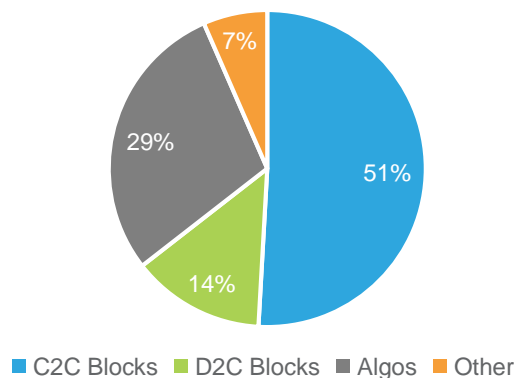
Source: CBOE

## 6.3 Products

### 6.3.1 Equities

Liquidnet's Equity division is the largest and most established business, servicing nearly 1,000 buy-side clients across 45 markets, and focusing on low-touch, large-size dark trade execution. Liquidnet offers its customers a range of intelligent execution options, workflows and liquidity sourcing techniques. This global network connects some of the largest institutional investors in the world with one another and with other market participants. Liquidnet's equities trading solutions offer clients institutional-sized equity trading, value-added execution services, and advanced analytics across 45 global markets.

The chart below reflects the Liquidnet Group's Equities revenue by product mix for 2019:



Notes:

- (1) Liquidnet's negotiation product allows clients to use the desktop application to negotiate trades on a 1 to 1 basis with other clients.
- (2) Includes sell-side blocks, sell-side streaming and high touch.

Liquidnet's equities trading solutions comprise a range of block trading, algorithmic, analytic and quantitative products and services to improve execution quality and traders' productivity in an era of automation and data-driven investing. Liquidnet's equities products involve equity execution, liquidity sourcing techniques and advanced analytics that leverage machine learning, including:

- *Large-scale crossing products:* Equities trading powered by Liquidnet's core block matching engine, which matches corresponding buy / sell indications. Using Liquidnet's core block matching functionality, members can negotiate price, quantity and other trade parameters through the Equities platform. In addition to manual negotiation, Liquidnet clients can elect to have the Liquidnet system execute a matched indication on their behalf as an automated negotiation order. The large-scale crossing product enhances the ability of institutional investors to trade large equity positions across any of the 45 global markets in which Liquidnet operates directly, seamlessly and anonymously. Liquidnet also offers select access to qualifying brokers and transition managers. Additionally, brokers in the U.S. can become a Liquidnet Sponsored Broker, with commission attributed when an execution takes place in Liquidnet;
- *Algos:* Algorithms specifically designed for institutions and their unique workflows to enhance liquidity and achieve optimal execution outcomes with a greater degree of precision;
- *Trader intelligence and decision support tools:* Liquidnet's proprietary analytics applications use market-tested AI and machine learning to draw and distil large amounts of market data and content with curated alerts and analytics delivered directly to traders via Liquidnet's desktop applications and order and execution management systems; and
- *Other executable products:* Liquidnet's sell-side offering, including all commissions generated by sell-side participants on the platform, in addition to execution consulting and overnight trading through its Global Trading Desk services.

During the first nine months of 2020, Liquidnet's Equities clients provided an average of approximately \$62 billion of global average daily liquidity, with an average trade size of \$1.4 million (when calculated as of the end of the first quarter of 2020). Between 2015 and 2019, the amount of global principal traded on Liquidnet's equities algorithmic platform grew by approximately 237 per cent. This is expected to grow further as Liquidnet's AI-enhanced trading tools continue to improve as new natural language processing and machine learning capabilities are further integrated.

Liquidnet has been a trusted agency-only partner of equity institutional asset managers for nearly 20 years. Liquidnet's front-end technology also integrates into the OMS and EMS of its clients and enriches traditional trading tools by automating processes. In addition, much of Liquidnet's technology is scalable and can be rapidly deployed for new products and services, allowing increased flexibility and distribution capability. Liquidnet believes nearly 20 years of partnership with its institutional clients has engendered deep trust, allowing collaborative development of new value-added products and services. As a result of its longstanding relationship with its clients and operational flexibility, Liquidnet has been ranked the #1 crossing network since

2011, and achieved a Top 3 ranking for overall client satisfaction in 2018 and again in 2019, according to Greenwich Associates.

### *6.3.2 Fixed Income*

Liquidnet Fixed Income is an A2A electronic trading platform for U.S. and European corporate bonds, both investment grade and high yield, as well as emerging market sovereigns and bonds, with a particular emphasis on C2C liquidity and transactions. It connects traders and portfolio managers through a pool of approximately 1,400 active users from over 500 buy-side firms, including 47 of the largest 50 holders of corporate bonds (as of the second quarter of 2020), resulting in one of the world's largest pools of buy-side corporate bond liquidity.

Liquidnet Fixed Income is connected to all major OMS and EMS platforms, including Aladdin (Blackrock), ALFA (Algomi), Bloomberg (TSOX), Charles River, Eze Castle, Fidessa, FlexTrade, Linedata, SimCorp, Thinkfolio (Markit), and Trading Screen, and has demonstrated success in new innovations and launching new asset classes, such as emerging market bonds. Liquidnet's innovations include Virtual High Touch, an intelligent execution workflow launched in December 2017, which evaluates order characteristics, market data, liquidity conditions and user preference to suggest an optimal execution strategy for different groups of orders, as well as Algo Price Portal, a systematic algo-driven response protocol for low-touch orders launched in October 2020. In the first nine months of 2020, Liquidnet's Fixed Income network provided approximately \$17 billion of average daily liquidity, with an average trade size of \$2.3 million, which was approximately five to ten times larger compared to other comparable platforms.

Liquidnet believes growth of Liquidnet Fixed Income is likely to be driven by acceleration of electronic trading and further automation and innovation for fixed income trading. As of 2019, only 30 per cent. of U.S. investment grade and 12 per cent. of high yield corporate bonds were being electronically traded or processed via electronic platforms, with most fixed-income segments in early stages of electrification. There are also significant liquidity gaps in the corporate bond market, especially for blocks and less liquid securities, some of which could be filled by electronic trading on platforms such as Liquidnet Fixed Income. In addition, investment managers and investment banks are undertaking increasing efforts to automate fixed income trading as a means of reducing costs and strengthening their access to liquidity and competitive position.

In response to this opportunity for growth, Liquidnet has launched fixed income trading in corporate bonds and emerging markets. In addition, in February 2020, Liquidnet shifted its business to encourage more A2A trading, with an emphasis on increasing addressable volume. With this shift in business model, Liquidnet aims to expand its fixed income liquidity pool and increase network effects for the benefit of Liquidnet Fixed Income clients and partners.

Liquidnet Fixed Income has received numerous industry recognition and awards, including Best Fixed Income/Credit Trading Platform by Fund Intelligence Tech and WSL Awards in 2020 and Best Trading and Execution Technology Innovation by Alternative Credit Intelligence European Performance Awards in 2017.

### *6.3.3 Workflow Solutions*

Liquidnet Debt Capital Markets (DCM) Workflow Solutions, will offer last-mile, plug-and-play connectivity to the buy-side for syndicate banks in connection with fixed income new issuances. It leverages Liquidnet's desktop real estate, OMS/EMS connectivity, existing relationships and documentation with asset managers from Liquidnet Fixed Income secondary trading platform. The primary markets workflow solution was designed with participation from more than 35 asset managers and 13 syndicate banks during more than 20 working group sessions, which were held between June 2019 and February 2020. Through Liquidnet Workflow Solutions, syndicate banks can provide deal announcement updates, comparable and pricing information, receive client orders from the buy-side and send back allocations to the buy-side. While this solution is heavily dependent on third parties operating book-building tools, Liquidnet Workflow Solutions is designed to increase efficiency by reducing costs and errors, and increasing connectivity between asset managers and syndicate banks.

### *6.3.4 Investment Analytics*

Liquidnet Investment Analytics division allows traders and investors to analyse, filter and organise data through artificial intelligence, machine learning and natural language processing. Liquidnet's data-driven approach to market intelligence is designed to help traders and portfolio managers more easily distil relevant information and streamline the investment decision-making process.



## 7. TECHNOLOGY PLATFORMS

### 7.1 *Equities execution ecosystem*

Liquidnet's equities trading and analytics solutions can be customised for the trader, order or market condition. Liquidnet's equities trading platform can be accessed via numerous channels including (i) its desktop application, (Liquidnet 5), (ii) the use of FIX, and OMS or EMS partners, and (iii) Liquidnet's Global Trading Desks.

Execution decisions are supported by intelligent analytics through proprietary software that leverages the latest advances in machine learning to provide valuable market context and actionable insights. Hands-on service is also available via Liquidnet's Global Trading Desks, or execution consultants who provide real-time, intraday support. Furthermore, clients can use block matching technology to negotiate a price or quantity or execute at the midpoint of the bid-ask price.

Liquidnet's equities trading solutions employ its dynamic algorithms, which allow execution in Liquidnet's pool and on other venues. Liquidnet also allows its clients to anonymously unlock latent liquidity through liquidity enhancing tools, such as Targeted Invitations. Liquidnet further allows traders to automatically take advantage of the short-term increased activity in a stock that typically occurs following a large block execution through its Surge Capture functionality.

### 7.2 *Fixed income execution technology*

Liquidnet maintains connectivity with all major Fixed Income OMS and EMS, leveraging "blotter sync" technology with the vast majority of them.

Liquidnet Fixed Income offers its clients numerous protocols.

- *Dark Matching*: This protocol connects participants with opposite indications for liquidity discovery and price negotiation with maximum information protection and facilitates execution of larger size trades.
- *Attribute-Based Inquiries*: This protocol enables clients to search for liquidity using attributes, tickers, or a larger list of bonds. This is a fast and efficient way to crowd-source liquidity.
- *Targeted Invitations*: This protocol automatically sends a Targeted Invitation to recent previous opposites to the Member's order or to other clients who have the bond on their watchlist, alerting them to liquidity opportunities.
- *Algo Price Portal*: This is a disclosed, dealer-to-client protocol with which clients can send inquiries to participating dealers automatically, based on pre-selected parameters (i.e. order size and ratings) or by selecting specific orders that they would like to use this protocol for. Dealers have the option to respond with auto-quotation or by a trader quoting the response to the client.
- *Lit Book*: This protocol enables clients to display all or part of their indication to participants in the network.
- *Substitute Liquidity*: This protocol alerts clients to liquidity opportunities in similar bonds to the bonds in their trade blotter.

Liquidnet Fixed Income also provides customised front-end applications for portfolio managers.

### 7.3 *New Initiatives*

Liquidnet seeks to develop technology-driven solutions for syndicate banks and investment managers that unlock significant new addressable markets. The development process for such projects generally takes approximately two years before they become ready for commercialisation.

Liquidnet is currently seeking to engage with the DCM market through a workflow solution for the new issue market (the **DCM Workflow Solution**). The launch of this workflow, expected to occur in the first half of 2021 is heavily dependent on vendors operating book-building tools.

As part of phase I of the DCM Workflow Solution, Liquidnet would seek to provide ready to use, last mile connectivity to clients for syndicate banks by leveraging its desktop presence and OMS connectivity with clients. The goal is to enable accurate and real-time exchange of information between clients and syndicate banks for all stages in the corporate debt new issue process. Liquidnet believes that the introduction of

automation in DCM can create efficiencies by replacing manual processes with an electronic workflow which also helps reduce operational risks.

The functionality and design of the DCM Workflow Solution was crafted with input from more than 35 large asset managers and 13 large banks during more than 20 working group sessions since June 2019.

#### **7.4 Investment Analytics**

Liquidnet has developed investment analytics products in order to provide high-quality research and data to help investment teams streamline the investment decision-making and trade execution processes. It aims to deliver curated data to investment teams in a digestible manner when they need it. By using AI machine learning and natural language processing, Liquidnet Investment Analytics enables institutional portfolio managers and traders to analyse, filter and organise data and pinpoint only the information needed to support information discovery and decision-making. Liquidnet has strategically acquired several entities, including OTAS Technologies Holdings LTC (**OTAS**), Research Exchange Limited (**REL**) and Quiet Signal, Inc. (**Quiet Signal**) as a part of this process.

### **8. SALES AND MARKETING**

Liquidnet's sales coverage personnel are the primary marketing and sales resources to Liquidnet's clients. Thus, Liquidnet's sales and marketing programmes are aimed at enhancing the ability of its global sales coverage teams to cross-sell effectively in addition to informing its clients about Liquidnet's product and service offerings. Liquidnet also employs product teams and business development professionals. Liquidnet leverages existing client relationships through a variety of direct marketing and sales initiatives and builds and enhances its brand image through marketing and communications campaigns targeted at a diverse audience, including traders, portfolio managers, potential liquidity and connectivity partners and the broader investor, market structure and media communities. Liquidnet may also market to its existing and prospective clients through a variety of co-marketing/co-branding initiatives with its partners.

Liquidnet's global product team is composed of product managers who are each responsible for a specific part of the business. The product managers seek to ensure that Liquidnet's sales and trade coverage personnel, across all regions and asset classes, have access to technical expertise, support and multiple execution methods in order to grow and market their business. This integrated approach of combining marketing and sales with Liquidnet's product and service strategy has enabled Liquidnet to turn innovative ideas into fully electronic and hybrid solutions, such as Surge Capture (enabling traders to benefit from a potential short-term surge in volume following a trade), Targeted Invitations (which allows traders to source latent liquidity from another customer who may have traded the name previously) and IA Trader (which provides real-time market alerts and analytics linked to traders' order pads and watchlists, thereby providing analytics to help facilitate the optimal trading decision at the point of trade.)

Liquidnet's global team of business development professionals is responsible for growing its global footprint through raising awareness of Liquidnet's products and services. The business development team markets Liquidnet's products and services to new and existing clients. As part of this process, they analyse existing levels of business with these entities in order to identify potential areas of growth and also to cross-sell Liquidnet's multiple offerings.

Liquidnet's market data, software solutions, and post-trade products and services are promoted to its existing and prospective clients through a combination of sales, marketing and co-marketing campaigns.

### **9. PROPERTIES**

As of 30 September 2020, the Liquidnet Group's properties are located in the U.S. (New York, Boston, San Francisco, St. Louis, New Jersey and Virginia), UK (London and Slough), Hong Kong, Singapore, Sydney, Tokyo, Toronto and Dublin. All of these properties are leased and they are used for offices, networks and support infrastructure.

### **10. IP**

Liquidnet regards its technology and intellectual property rights, including its brands, as a critical part of its overall business. Liquidnet holds various trademarks and trade names and relies on a combination of patent, copyright, trademark, service mark and trade secret laws, as well as contractual restrictions, to establish and protect its intellectual property rights. Liquidnet owns numerous domain names and has registered numerous

trademarks and/or service marks in the United States and foreign countries. Liquidnet's trademark registrations must be renewed periodically, and, in most jurisdictions, every ten years.

Liquidnet has adopted a comprehensive intellectual property programme to protect its proprietary technology and innovations. Liquidnet currently has licences covering various patents from related parties. Liquidnet also has agreements to license technology that may be covered by several pending and/or issued U.S. patent applications relating to various aspects of its electronic trading systems. Liquidnet has filed a number of patent applications to further protect its proprietary technology and innovations and has received patents for some of those applications. Liquidnet will continue to file additional patent applications on new inventions, as appropriate, demonstrating Liquidnet's commitment to technology and innovation.

Liquidnet's patent portfolio is expected to continue to grow, as Liquidnet continues to look to protect its innovative solutions.

## **11. BREXIT READINESS**

The Liquidnet Group continues to undertake Brexit readiness planning to ensure it can operate effectively and service its clients across the EU regardless of the ultimate outcome of trade negotiations between the EU and the UK.

As part of its planning, the Liquidnet Group has established and capitalised a new company in Ireland, Liquidnet EU Limited, to service its EU/EEA clients. Liquidnet EU Limited is authorised by the Central Bank of Ireland to act as an agency broker for equity and fixed income instruments and to operate equity and fixed income MTFs. Additionally, the Liquidnet Group has taken steps to hire necessary personnel in Ireland and turned its EU MTF live on November 30, 2020.

Whilst the terms of Brexit in respect of the cross-border provision of regulated financial services and their impact are not yet fully known, the Liquidnet Group continues to take necessary steps to ensure that adequate contingency arrangements are in place. All Liquidnet clients have been made aware of Liquidnet's Brexit plans and will continue to be able to access the same global liquidity after the Brexit Date, irrespective of their place of domicile.

## PART XIV

### REGULATORY OVERVIEW

#### 1. OVERVIEW

The TP ICAP Group's and the Liquidnet Group's operations are, and the Enlarged Group's operations will be subject to extensive financial services regulation in the UK, the U.S. and in other jurisdictions in which they operate. This section of the document is intended to give an overview of the regulatory framework that will apply to the Enlarged Group in the key jurisdictions where it operates following Completion of the Acquisition.

#### 2. REGULATION IN THE UNITED KINGDOM

##### 2.1 Statutory Framework

The statutory framework for the regulation of financial services in the UK is set out in the FSMA. The FSMA requires firms that provide financial services in the UK to be authorised and regulated by the relevant regulatory authority. Financial services firms are subject to the authority of one or both of the two UK regulators—the FCA and the PRA.

##### 2.2 FCA

The UK regulated entities in the Enlarged Group are regulated and authorised by the FCA as their sole regulator for both prudential and conduct matters. The following entities within the Enlarged Group are authorised and regulated in the UK by the FCA: Tullett Prebon (Europe) Limited; Tullett Prebon (Securities) Limited; Tullett Prebon (Equities) Limited; PVM Oil Futures Limited; ICAP Securities Limited; ICAP Energy Limited; The Link Asset and Securities Company Limited; ICAP WCLK Limited; ICAP Global Derivatives Limited; ICAP Europe Limited; iSwap Euro Limited; and Liquidnet Europe Limited (together, the **UK Regulated Entities**).

There are also three regulated UK branches of third-country entities within the Enlarged Group: ICAP Corporates LLC, ICAP Securities USA LLC and PVM Oil Associates Ltd (the **UK Regulated Branches**). The UK Regulated Branches are all regulated in the UK by the FCA.

The FCA's strategic objective is to ensure that the relevant markets function well and its operational objectives are to protect consumers, to protect and enhance the integrity of the UK financial system and to promote effective competition in the interests of consumers. It has investigative and enforcement powers derived from the FSMA and subsequent legislation and regulations.

Generally the full panoply of UK (including EU driven) regulation applies to the UK Regulated Entities and a smaller sub-set of that regulation applies to the UK Regulated Branches. At a high level, prudential regulation and especially rules relating to capital requirements do not apply to the UK Regulated Branches. The UK Regulated Branches will be subject to prudential and capital requirements applied at the entity level in the location of their head office establishment.

##### *Threshold conditions*

In order to authorise a person to carry on regulated activities in the UK, the FCA must determine that the applicant meets regulatory requirements, including certain "threshold conditions." The threshold conditions are the minimum conditions which must be satisfied (both at the time of authorisation and on an on-going basis) in order for a firm to gain and continue to have permission to carry on the relevant regulated activities under the FSMA. The threshold conditions for FCA regulated firms relate to matters including the firm's legal form and location of offices, whether the firm is capable of being effectively supervised by the FCA, whether the firm has adequate resources (both financial and non-financial) to carry on its business and whether, having regard to all the circumstances (including whether the firm's affairs are conducted soundly and prudently), the firm is a fit and proper person to conduct the relevant regulated activities. Once authorised, in addition to continuing to meet the threshold conditions, firms must comply with the relevant provisions of the FSMA, related secondary legislation and the rules made by the FCA under the FSMA (such rules, as well as guidance, are published in the **FCA Handbook**).

##### *Supervision and Enforcement*

The nature and extent of the FCA's supervisory relationship with an authorised firm depends on, among other considerations, how much of a risk the FCA considers that firm could pose to the achievement of their statutory objectives. The FCA has powers to take a range of enforcement actions, including the ability to sanction

authorised firms and individuals carrying out functions within them. In particular, enforcement action may include restrictions on undertaking new business, public censure, restitution, fines and, ultimately, revocation of permission to carry on regulated activities. The FCA may take direct enforcement action under the SMCR against individuals undertaking senior management functions for authorised firms, including revocation of an individual's approval to perform particular roles within a firm.

The FCA has further powers to obtain injunctions against UK authorised firms where a UK authorised firm has breached relevant requirements, including requirements imposed by or under FSMA or under certain EU legislation, and to impose or seek restitution orders where clients or other affected parties have suffered loss, or the firm has obtained a profit as a result of a breach of a relevant requirement. In certain circumstances, the FCA also has the power to take action against unauthorised parent undertakings of UK authorised persons, including by issuing directions to do or refrain from doing a particular activity.

### ***Principles for Businesses***

The FCA's Principles for Businesses (the **Principles**) set out high-level principles that apply to all authorised firms. The Principles include requirements for firms to treat customers fairly, maintain adequate financial resources and risk management systems, communicate with customers in a way that is clear, fair and not misleading, and deal with its regulators in an open and co-operative way.

## **2.3 Summary of United Kingdom regulatory framework**

The UK regulatory framework contains rules which govern the following areas of the operation of the UK Regulated Entities, and the UK Regulated Branches:

### ***Market conduct***

These rules impose certain conduct obligations to ensure that the UK Regulated Entities deal fairly with clients and also help to ensure the proper functioning and integrity of the wider UK financial markets. A number of these obligations stem from European pieces of legislation including, among others, MiFID II and MAR. Post-Brexit, these obligations will be contained within Onshored MiFID and Onshored MAR.

### ***Capital requirements***

The Enlarged Group will be subject to prudential regulation under CRD IV and onshored CRR. Pursuant to this regime, the Enlarged Group is subject to consolidated prudential supervision by the FCA, subject to an investment firm consolidation waiver in respect of the UK Regulated Entities, Capital and liquidity requirements are imposed to attempt to ensure that the UK Regulated Entities always have sufficient capital and liquidity to be able to operate or wind down their businesses in an orderly manner.

### ***Recovery and resolution planning***

The Enlarged Group will be required to maintain a recovery and resolution plan so that it is able to wind down the business in times of extreme stress in an orderly manner, minimising market disruption.

### ***SMCR***

The UK Regulated Entities are subject to the SMCR which has been designed to increase individual accountability and responsibility within the financial services sector to decrease perceived moral hazard and to encourage more prudent and less risky processes.

### ***Risk management, Compliance and Governance***

The UK regulatory framework imposes a number of requirements, the purpose of which is to ensure that the UK Regulated Entities have robust risk management, compliance and governance processes in order to ensure that the UK Regulated Entities are operated in accordance with the regulatory framework and with sound risk management processes.

### ***Anti-money laundering and financial crime***

The UK Regulated Entities are relevant persons for the purposes of and are subject to the requirements of the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and are required to have robust systems and controls, policies and training in place to attempt to detect and prevent money laundering and financial crime.

A number of these areas have either seen recent change or are areas where future change is anticipated. Where these changes may pose a material risk to the future operation of the business, they have been disclosed in Part II: “*Risk Factors*” section of this Prospectus.

## **2.4 Regulation in the European Union**

The Enlarged Group’s operating entities across the EU, including the UK Regulated Entities, are subject to financial services regulatory requirements derived from various sources of EU legislation, including EU treaties, regulations and directives. Regulations are legal acts that apply automatically and uniformly to all EU countries as soon as they enter into force, without needing to be transposed into national law. Regulations are binding in their entirety on all EU countries. Directives require EU countries to adopt measures to transpose them into national law in order to achieve the objectives set by the directive.

Together with the UK Regulated Entities, the following Enlarged Group Companies or investments operate in the EU: TP ICAP (Europe) SA (France), ICAP Energy AS (Norway); Sociedade Gestora de Fundos de Investimento, S.A. (Portugal); Corretaje e Informacion Monetaria y de Divisas SA (Spain), Corretaje e Informacion Monetaria y de Divisas Sociedad de Valores SA (Spain), Intermoney Valores Sociedad de Valores S.A. (Spain), Intermoney Gestion S.G.I.I.C. S.A. (Spain), Intermoney Titulizacion S.G.F.T. S.A. (Spain), and iSwap Euro B.V. (The Netherlands), Liquidnet EU Limited (Ireland) (together, the **EU Regulated Entities**).

## **2.5 European Union Legislation**

The following pieces of EU legislation impact the Enlarged Group’s operations across the EU:

### ***MiFID II***

MiFID II set out the legal framework governing the requirements applicable to investment firms and trading venues. MiFID II provides for detailed and specific requirements relating to investment firms within its scope, including provisions relating to systems and controls, outsourcing, customer classification, conflicts of interest, best execution, client order handling, suitability and appropriateness, transparency and transaction reporting. MiFID II also provides for a regulatory regime for securities markets, including MTFs and OTFs. The UK Regulated Entities and the EU Regulated Entities are investment firms and a number of these entities are operators of MTFs and OTFs.

MiFID II also confers passporting rights on investment firms authorised in accordance with its provisions, enabling them to carry on certain investment activities in other EEA States without needing to obtain separate authorisations there. The UK Regulated Entities and the EU Regulated Entities currently undertake activities across the EU on reliance of passporting rights.

### ***Market Abuse Regulation***

The Market Abuse Regulation, or MAR, establishes across the EU a common regulatory framework on market abuse, as well as measures to prevent market abuse to ensure the integrity of the EU financial markets and enhance investor protection and confidence in those markets.

MAR refers to three abusive behaviours which, when committed in relation to publicly traded financial instruments, commodity derivatives or emission allowances, constitute market abuse. The relevant behaviours are: insider dealing; the unlawful disclosure of inside information; and market manipulation. MAR requires the UK Regulated Entities and the EU Regulated Entities to undertake monitoring and surveillance to identify potential market abuse and report any suspicions of market abuse to the relevant competent authority.

Under MAR, competent authorities are required to have powers to impose an unlimited fine on any person that engages in market abuse, or that has encouraged or required another person to do so. As an alternative to imposing a fine, a competent authority may publish a statement of public censure or apply to the court for an injunction or restitution order. Competent authorities also have the power to impose other administrative sanctions, including the power to carry out on-site inspections at sites other than private residences and the power to cancel or suspend trading in financial instruments.

MAR is complemented by the Directive on Criminal Sanctions for Market Abuse (**CSMAD**). CSMAD is a minimum harmonising directive mandating minimum requirements for criminal penalties. CSMAD provides minimum levels for the maximum term of imprisonment: at least four years’ imprisonment for insider dealing, recommending or inducing another person to engage in insider dealing and market manipulation offences and a

minimum two years' imprisonment for the unlawful disclosure of inside information offence. All EU countries except for the UK and Denmark have agreed to transpose CSMAD into domestic law.

In the UK, the FCA has the power to prosecute the criminal offences of insider dealing under the Criminal Justice Act 1993 and the criminal offences of making false or misleading statements, creating false or misleading impressions and making false or misleading statements or creating a false or misleading impression in relation to specified benchmarks under the Financial Services Act 2012.

#### **CRD IV/CRR**

The CRD IV package sets out the EU framework for the regulation of credit institutions and certain investment firms, applicable in the main since January 2014, in particular in respect of capital adequacy. Certain MiFID investment firms and, in particular, those with permissions relating to the safeguarding of client assets or handling of client money are subject to the provisions of CRD IV as regards prudential and capital standards. This includes the UK Regulated Entities and the EU Regulated Entities.

#### **MLD5**

The Fifth Money Laundering Directive (**MLD5**) updates a number of the obligations under the Fourth Money Laundering Directive (**MLD4**) and, in summary, imposes obligations on a variety of firms to take steps to prevent money laundering by, among other things, ensuring robust systems and controls and training are in place for staff, undertaking customer due diligence of varying levels, monitoring clients on an ongoing basis, monitoring clients' transactions and reporting any suspicious behaviour to relevant authorities.

A number of these areas have either seen recent change or are areas where future change is anticipated. Where these changes may pose a material risk to the future operation of the business, they have been disclosed in Part II: "Risk Factors" section of this Prospectus.

### **2.6 European Union—Brexit**

The UK ceased to be a member of the EU on 31 January 2020. Directly applicable EU legislation referred to in this Prospectus continued to apply in the UK until the end of a transitional period, which ended on 31 December 2020. EU legislation currently transposed into UK law will remain a part of UK law following the end of the transitional period. The UK has gone through a process of onshoring previously directly applicable EU law so that it will continue to apply post-Brexit. In this regard we note that post-Brexit onshored MAR, onshored MiFID and onshored CRR will apply to the Enlarged Group's UK Regulated Entities and UK Regulated Branches.

## **3. REGULATION IN THE UNITED STATES**

### **3.1 Broker-Dealers**

The TP ICAP Group wholly owns four broker-dealers that are registered with the SEC: (i) Tullett Prebon Financial Services LLC; (ii) ICAP Securities USA LLC; (iii) ICAP Corporates LLC; and (iv) Louis Capital Markets LLC. It also has a 40 per cent. minority ownership interest in another SEC-registered broker-dealer, First Brokers Securities LLC.

The U.S. Exchange Act governs the way in which the U.S. securities markets and its broker-dealers operate. Unless an exemption or an exception applies, a broker or dealer operating in the United States or that solicits U.S. persons must be registered with the SEC and become a member of FINRA prior to conducting broker-dealer activities. In addition, each broker-dealer must ensure that its associated persons have satisfied applicable qualification and licensing requirements and are appropriately supervised. Broker-dealers and their associated persons are also regulated by state regulators in the states they conduct business and are subject to the laws and regulations of those states.

SEC-registered broker-dealers and their associated persons are subject to a wide range of requirements under federal securities laws, FINRA rules, the rules of other SROs to which they may be subject and state laws and regulations. These requirements are extensive and apply to all aspects of a broker-dealer's business activities. Although there will be some variation depending on the specific business activities of the broker-dealer, these requirements include, among others, compliance with: (i) financial responsibility rules, including the duty to maintain required levels of regulatory net capital, duty to protect customer funds and securities, satisfy financial reporting requirements and make and maintain required books and records; (ii) business conduct standards, including a duty to deal fairly, engage in fair and balanced communication with the public, recommend only suitable securities to customers and satisfy best execution requirements; (iii) rules relating to the extension of

credit; (iv) order handling rules, procedures relating to the clearance and settlement of trades and trade reporting rules; (v) supervision rules, including an obligation to develop and implement written policies and procedures that are reasonably designed to prevent and detect violations of the securities laws, regulations and applicable SRO rules; (vi) a prohibition on associating with persons who have been the subject of certain criminal or other disciplinary actions; (vii) rules relating to maintaining an effective anti-money laundering program; and (viii) the general anti-fraud provisions of the U.S. securities laws.

Broker-dealers are subject to examination by the SEC, SROs and state regulators. The SEC, SROs and state regulators may take disciplinary action against broker-dealers and their associated persons for violating the securities laws, regulations and SRO rules. Such actions could result in the imposition of sanctions which may include censures, fines, limitations on business activities and bars from the securities industry. In addition, broker-dealers and their associated persons may be subject to criminal actions by the Department of Justice (**DOJ**) and state criminal authorities.

The Enlarged Group, through various broker-dealers, intends to continue to operate three alternative trading systems (**ATS**) in the United States, including two which trade National Market System stocks (**NMS Stock ATS**). ATSs are regulated by the SEC pursuant to Regulation ATS. ATSs must provide required disclosures to the SEC regarding their operations, trading activities and material relationships. In the case of NMS Stock ATS, which are subject to enhanced and more granular disclosure requirements, these disclosures are publicly available. ATSs are also subject to various other obligations, such as the requirement to establish adequate written safeguards and written procedures to protect subscribers' confidential trading information.

### 3.2 CFTC-Regulated Entities

TP ICAP owns a number of entities that are registered with the CFTC, as (i) SEFs, (ii) IBs and (iii) SDs.

The Commodity Exchange Act (**CEA**) governs the operation of markets for commodity-linked derivatives in the United States, including futures, options and swaps. Under the CEA, certain categories of participants are required to register with the CFTC (and for certain categories of registrants to be members of the NFA. Trading systems or platforms that facilitate the execution of swaps between multiple persons (swap execution facilities, or **SEFs**) are required to register with the CFTC. Persons who solicit or accept orders for the purchase and sale of futures or swaps, but do not accept money to facilitate such transactions (IBs), and certain persons that make markets in swaps (swap dealers or **SDs**) are required to register with the CFTC and become members of the NFA).

As a condition of registration, SEFs must adhere to numerous "core principles" set forth in the CEA which are intended to ensure, among other things, access to the trading platform, integrity of the price formation process, fairness of trading and transparency of activity on the platform. SEFs are subject to periodic rule review by the CFTC to test both the SEFs compliance with its regulatory obligations and the effectiveness of the rules imposed by the SEF on participants on the platform.

IBs and SDs are similarly subjected to a wide range of requirements, including regulations focused on onboarding and documentation of customer relationships, financial soundness of the regulated entity, protection of customers/counterparties of the registrant, recordkeeping, transparency of the registrant's activities and supervision. The NFA periodically audits its members, including IBs and SDs, to confirm the registrant's compliance with applicable rules and the robustness of the processes and procedures in place to ensure compliance with such rules. In addition, IBs are subject to certain AML requirements.

## 4. REGULATION IN SINGAPORE

The TP ICAP Group operates several entities regulated by the Monetary Authority of Singapore (**MAS**) in Singapore. The entities regulated by the MAS comprise:

- Capital markets services (**CMS**) licensees: Tullett Prebon Energy (Singapore) Pte. Ltd, PVM Oil Futures Pte Ltd, ICAP Energy (Singapore) Pte. Ltd, and PVM Oil Associates Pte Ltd; and
- Recognised Market Operators (**RMOs**): ICAP (Singapore) Pte Ltd, Tullett Prebon (Singapore) Limited and ICAP Securities USA LLC,

(together, the **Singapore Regulated Entities**).

The overarching legislation that regulates capital markets services-related activities, which include the activities of CMS licensees and RMOs in Singapore, is the Securities and Futures Act (Cap. 289) (**SFA**). The Monetary Authority of Singapore is the central bank and integrated financial regulator in Singapore. The Singapore Regulated Entities are subject to the regulation and supervision of the MAS, which establishes rules for



financial institutions which are implemented through legislation, regulations, directions, notices guidelines and other regulatory instruments.

Under the Monetary Authority of Singapore Act, the functions of the MAS are to, amongst others, act as the central bank of Singapore, conduct monetary policy, issue currency, oversee payment systems and serve as banker to and financial agent of the Singaporean Government; and to conduct integrated supervision of the financial services sector and financial stability surveillance. As an integrated financial supervisor, the principal objectives of the MAS is to foster a sound financial services sector through its prudent oversight of all financial institutions in Singapore and to promote Singapore as a dynamic international financial centre by working with the financial industry.

In relation to CMS licensees and RMOs, in order to grant a licence, the MAS must determine that the applicant meets regulatory requirements, including certain “threshold conditions.” The threshold conditions are of a general or specific nature as the MAS may impose on the applicant, which must be satisfied (both at the time of granting of the licence, and on an on-going basis) in order for an entity to gain and continue to have permission to carry on the relevant regulated activities under the SFA. These conditions may relate to matters including (but not limited to): (i) in respect of an RMO, the activities that the applicant may undertake; the products that may be traded on any organised market established or operated by the applicant; and the financial requirements imposed on the applicant; and (ii) in respect of a CMS licensee, whether the applicant’s minimum financial requirements, and the applicant’s or its substantial shareholders’ financial standing are satisfied; whether the applicant has adequate resources to carry on its business, whether the applicant’s affairs are conducted soundly and prudently; and whether the applicant is a fit and proper person to conduct the relevant regulated activities; and whether the applicant’s officers or employees have satisfactory qualifications and/or experiences to perform their duties. Once licensed, in addition to continuing to meet the threshold conditions, the licensees must comply with the provisions of the SFA, related subsidiary legislation and notices and guidelines issued by the MAS, and any other obligations or requirements prescribed by the MAS.

The supervisory assessment of an institution’s impact and risk will determine the MAS’ supervisory strategy towards that institution and the supervisory activities in which the MAS engages. The MAS expects an institution’s board and senior management, with whom the primary responsibility for risk oversight lies, to address any issues of supervisory concern that are identified in the course of its supervision. The MAS has powers to take a range of enforcement actions, including the ability to sanction the Singapore Regulated Entities. Enforcement actions may include restrictions on undertaking of businesses, public censure, fines or revocation or suspension of authorisation to carry on regulated activities.

## **5. REGULATION IN HONG KONG**

### **5.1 Authorisation and licensing**

#### ***Licensed Corporation***

Tullett Prebon (Hong Kong) Limited and ICAP Securities Hong Kong Limited are each licensed and regulated by the Securities and Futures Commission (SFC) in Hong Kong to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 7 (providing automated trading services) regulated activities under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (SFO). The SFC has imposed certain licensing conditions on Tullett Prebon (Hong Kong) Limited and ICAP Securities Hong Kong Limited. In particular, neither company is allowed to hold clients assets and, with respect to Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities they can only provide services to “professional investors” (as defined in the SFO and its subsidiary legislation). Their Type 7 (providing automated trading services) licence is also subject to a number of conditions around (among other things) business continuity planning, reporting and notification requirements, record-keeping requirements and types of persons to which they can provide services. As licensed corporations, both entities are subject to and required to comply with various rules and regulations applicable to the businesses in Hong Kong, including the SFO and its subsidiary legislation as well as codes, guidelines and circulars issued by the SFC.

#### ***Approved Money Broker***

ICAP Brokers Pty Limited, Tullett Prebon (Australia) Pty Limited, Tullett Prebon (Hong Kong) Limited, Totan ICAP Co. Ltd (which is 40 per cent. owned by the TP ICAP Group), ICAP (Hong Kong) Limited, ICAP (Singapore) Pte Ltd, Tullett Prebon (Europe) Limited, Tullett Prebon (Singapore) Limited and Tullett Prebon (Japan) Limited are each licensed and supervised by the Hong Kong Monetary Authority (HKMA) in respect of their money broking activities. As Hong Kong approved money brokers, these entities are subject to various rules and regulations that are applicable to the money broking industry.

## **5.2 Summary of applicable rules**

### ***Licensed Corporation***

The SFC is an independent statutory body responsible for regulating Hong Kong's securities and futures market and its powers, roles and responsibilities are set out in the SFO. The SFC's regulatory objectives include maintaining and promoting the fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry, providing protection for the members of the investing public and minimising crime and misconduct in the securities and futures industry. It is empowered to grant licenses to those who are appropriately qualified and can demonstrate their fitness and properness to be licensed, and it monitors their ongoing fitness and properness and compliance with applicable requirements. The legal framework in Hong Kong governing licensed corporations is predominantly included in the SFO and its subsidiary legislation. Additionally, the SFC issues codes, guidelines and circulars from time to time which licensed corporations are required to comply with (where applicable). Licensed corporations and their licensed representatives (including responsible officers), substantial shareholders and other persons who are employed by or associated with the licensed corporations for the purposes of the regulated activities for which the licensed corporations are licensed must remain fit and proper at all times.

### ***Approved Money Broker***

The HKMA is Hong Kong's central banking institution. Its functions include promoting the stability and integrity of the financial system, and helping to maintain Hong Kong's status as an international financial centre, including the maintenance and development of Hong Kong's financial infrastructure. Under section 118C(1)(a) of the Banking Ordinance (Cap. 155, Laws of Hong Kong) (**BO**), the HKMA has the power to approve a company to act as a money broker. The main regulation governing the supervision by the HKMA of approved money brokers is the BO. Additionally, the HKMA issues guidelines and circulars from time to time, which approved money brokers have to observe (where applicable when conducting their business).

## **6. GLOBAL DERIVATIVES MARKETS REFORM**

In response to the 2008 global financial crisis, the G20 countries agreed to a financial regulatory reform agenda covering the OTC derivatives markets and market participants. One objective of these reforms was to decrease the potential systemic risk posed by global derivatives markets. Two of the key tools for reducing risk posed by OTC derivatives markets to the wider financial system were the introduction of (i) margin requirements for certain non-centrally cleared derivatives and (ii) mandatory central counterparty clearing for certain derivatives between different categories of counterparties. Mandatory clearing and UMR have been phased in gradually across the world from 2016 with final implementation expected in some jurisdictions in 2022. Generally both mandatory clearing and UMR have been applied to the largest, most sophisticated market participants first and then gradually the scope has been extended to capture smaller less sophisticated market participants. There remain a potentially large number of counterparties who are not yet subject to UMR that are due to be brought within scope in the future.

## PART XV

### DIRECTORS, PROPOSED DIRECTOR AND CORPORATE GOVERNANCE

#### 1. Directors and Proposed Director

The following table sets out certain information with respect to the members of the TP ICAP Board as at the date of this document. The business address for each of the members of the TP ICAP Board is Floor 2, 155 Bishopsgate, London EC2M 3TQ, United Kingdom.

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Date appointed</u>
Richard Berliand . . . . .	Chairman	58	March 2019
Nicolas Breteau . . . . .	Group Chief Executive Officer	52	July 2018
Robin Stewart . . . . .	Group Chief Financial Officer	53	July 2018
Philip Price . . . . .	Group General Counsel	55	September 2018
Angela Knight . . . . .	Senior Independent Non-Executive Director	70	September 2011
Edmund Ng . . . . .	Independent Non-Executive Director	57	November 2017
Roger Perkin . . . . .	Independent Non-Executive Director	72	July 2012
Michael Heaney . . . . .	Independent Non-Executive Director	56	January 2018
Angela Crawford-Ingle . . . . .	Independent Non-Executive Director	68	March 2020
Mark Hemsley . . . . .	Independent Non-Executive Director	58	March 2020
Tracy Clarke . . . . .	Independent Non-Executive Director	53	January 2021
Kath Cates . . . . .	Proposed Independent Non-Executive Director	57	February 2021 <sup>(1)</sup>

**Note:**

(1) Kath Cates will become an Independent Non-Executive Director with effect from 1 February 2021.

#### Directors' profiles

The names, business experience and principal business activities outside the TP ICAP Group of the Directors and the Proposed Director are set out below.

#### Richard Berliand—Chairman

Richard Berliand was appointed to the TP ICAP Board in March 2019 and was appointed Chairman of TP ICAP in May 2019. He held a number of senior roles at J.P. Morgan over a 23 year career at the firm, including Global Head of Prime Services, Global Head of Cash Equities and Chairman of J.P. Morgan's Market Structure practice. He was also a member of the board of directors of Rothesay Life Plc until February 2019, and a member of Deutsche Börse AG's supervisory board until May 2019. Richard is currently senior independent non-executive director and chair of the remuneration committee of Man Group plc, following his appointment to the board of directors in January 2016.

#### Nicolas Breteau—Group Chief Executive Officer

Nicolas Breteau was appointed as Group Chief Executive Officer of TP ICAP in July 2018. He joined Tullett Prebon plc as Chief Commercial Officer in 2016, and ran the TP ICAP Group's largest business, Global Broking. He started his career in 1993 on the listed derivatives exchange MATIF (later part of Euronext), and from 1993 to 1998 held several senior positions at derivatives broker FIMAT, including Deputy CEO of its Paris office, Head of Risk for EMEA, and Deputy CEO and then CEO of the London branch. Following the merger of FIMAT with Calyon Financial to create Newedge, Nicolas was appointed Global Head of Sales in 2009 and Chief Executive in 2010. In 2014 he became Senior Managing Partner of a consulting firm, 99 Advisory. Nicolas was previously a member of the boards of directors of the Futures and Options Association, the Futures Industry Association and Altura.

#### Robin Stewart—Group Chief Financial Officer

Robin Stewart was appointed Group Chief Financial Officer of TP ICAP in July 2018. Robin joined Collins Stewart Tullett plc in 2003 as Head of Tax, before becoming Head of Group Finance & Tax for Tullett Prebon plc in 2010 and Deputy Group Chief Financial Officer of TP ICAP in 2017. Prior to that he spent 13 years at Dresdner Kleinwort where he was Deputy Head of Tax, having started his career at Arthur Andersen.

**Philip Price—Group General Counsel**

Philip Price was appointed to the TP ICAP Board in September 2018. He qualified as a solicitor in 1990 and after time in private practice in London and Hong Kong subsequently held a number of roles in both buy side and sell side financial services firms. He was Group Legal Adviser at Dresdner Kleinwort Wasserstein from 1995 to 1997, and then Managing Director and Head of EMEA Corporate Legal Services at UBS Investment Bank from 1997 to 2006. In 2006, Philip was appointed as General Counsel and Chief Operating Officer at SRM Global Fund in Monaco and on his return to the UK held the role of General Counsel and Company Secretary at Candover Investments plc from 2009 to 2012. Prior to joining TP ICAP's predecessor firm, Tullett Prebon plc in 2015, Philip was a partner and General Counsel at Arle Capital LLP, based in London.

**Angela Knight—Senior Independent Non-Executive Director**

Angela Knight CBE was appointed to the TP ICAP Board in September 2011. She was formerly the Chief Executive of Energy UK until 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. Angela 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 directorships include Lloyds TSB plc, Scottish Widows, LogicaCMG plc, Transport for London, Port of London Authority and Brewin Dolphin Holdings plc. Angela was also Chair of Tilman Brewin Dolphin. She is currently a non-executive director of Taylor Wimpey plc, Arbuthnot Latham & Co Ltd and Provident Financial plc, and a board member of Encore Capita Group Inc. Angela will be retiring from the Board at the conclusion of the Company's 2021 annual general meeting.

**Edmund Ng—Independent Non-Executive Director**

Edmund Ng was appointed to the TP ICAP Board in November 2017. He is currently Chief Investment Officer and co-founder of Eastfort Asset Management, prior to which he was Head of the Direct Investment Division of the Hong Kong Monetary Authority (HKMA) from 2007 to 2015. Before joining the HKMA, Edmund spent 20 years at J.P. Morgan, working in various trading functions and serving as Managing Director of its Asia ex-Japan trading division.

**Roger Perkin—Independent Non-Executive Director**

Roger Perkin was appointed to the TP ICAP Board in July 2012. He was a partner at EY and spent 40 years in the accounting profession before retiring from the firm in 2009. He was formerly a non-executive director at The Evolution Group plc until its acquisition in 2011, Friends Life Group Limited until its acquisition in 2015 and Nationwide Building Society until 2016. He is currently a non-executive director of AIB Group (UK) plc and Hargreaves Lansdown plc. He is a trustee of two charities, Chiddingstone Castle and the Charities Aid Foundation. Roger will be retiring from the Board at the conclusion of the Company's 2021 annual general meeting.

**Michael Heaney—Independent Non-Executive Director**

Michael Heaney was appointed to the TP ICAP Board in January 2018. He held senior roles at Morgan Stanley in New York and London over a 28-year career at the firm, including Global Co-Head of the Fixed Income Sales and Trading Division. Michael was also a member of Morgan Stanley's Operating Committee, Management Committee and Risk Management Committee. He is currently chair of the U.S. Securities and Exchange Commission Fixed Income Market Structure Advisory Committee.

**Angela Crawford-Ingle—Independent Non-Executive Director**

Angela Crawford-Ingle was appointed to the TP ICAP Board in March 2020. She is a qualified chartered accountant and was previously a Partner at PricewaterhouseCoopers for 20 years specialising in Financial Services, during which time she led the Insurance and Investment Management Division. Her career has included audit experience of both multinational and listed companies. Angela is currently senior independent director and chair of the audit committee at River and Mercantile Group plc, the listed asset manager and advisory business, and chair of the audit committee at Openwork Holdings Limited, a financial advice network. Angela is also a Council member and chair of the audit committee of Lloyds of London. Angela has previously served in non-executive director roles at Beazley plc where she was chair of the audit and risk committee and Swinton Group Limited where she was senior independent director and chaired the audit and risk committee.

### **Mark Hemsley—Independent Non-Executive Director**

Mark Hemsley was appointed to the TP ICAP Board in March 2020. Mark was President of Cboe Europe, the European arm of Cboe Global Markets Inc. until his recent retirement. Mark was a founding employee of Bats Europe in 2008 and led the acquisition and integration of Chi-X Europe in 2011. Bats Europe was acquired by Cboe Global Markets in 2017 and Mark assumed the role of President of Cboe Europe. Prior to joining Bats, Mark was Managing Director and Chief Information Officer at LIFFE, running its Market Solutions group. Mark was also a board member and member of the audit committee of Euro CCP NV and was a member of the ESMA Securities and Markets Stakeholder Group and Securities and Markets Consultative Working Group.

### **Tracy Clarke—Independent Non-Executive Director**

Tracy Clarke was appointed to the TP ICAP Board on 1 January 2021. Until 31 December 2020, Tracy was a director of Standard Chartered Bank UK, having been appointed in January 2013, and was Regional CEO Europe and Americas and CEO Private Banking since 2015 and 2018, respectively. Tracy is a non-executive director of Greensill Capital Pty. Limited, and of the All England Netball Association, for which she is chair of its remuneration committee. She has served in non-executive director roles at Standard Chartered First Bank in Korea, China Britain Business Council, Zodia Holdings Limited, Zodia Custody Ltd and Eaga plc, where she chaired the remuneration committee and was a member of the audit and risk committees. She has also chaired the boards of Standard Chartered Bank AG, Standard Chartered Yatirim Bankasi Turk A.S and she was a non-executive member of the board of the TheCityUK, for which she was a member of the audit and risk committee. Tracy has also served on the board of Sky plc from 2012 to 2018, where she chaired the remuneration committee, and most recently was a non-executive director and member of the remuneration committee of Inmarsat plc during 2019.

### **Kath Cates—Proposed Independent Non-Executive Director**

Kath Cates' appointment to the TP ICAP Board was announced in September 2020 and will become effective on 1 February 2021. A qualified lawyer, Kath has spent over 25 years in global financial services both in the UK and overseas. She was previously Global Chief Operations Officer, Wholesale Banking for Standard Chartered plc. Prior to that she spent 22 years at UBS in roles spanning legal, operations, risk and compliance. Since 2013 Kath has focused on her non-executive roles, gaining considerable experience on the boards of a number of companies, as a member and chair of main board committees, and undertaking the role of senior independent director. Kath is currently a non-executive director of RSA Insurance Group plc, chairing the remuneration committee and also a member of the risk, audit and nominations committees. Kath is a non-executive director of Threadneedle Investment Services Limited, Threadneedle Asset Management Holdings Sarl and Threadneedle Pensions Limited, chairing the audit committee of the latter. She is also a non-executive director, chair of the risk committee and member of the audit and nominations committees of Brewin Dolphin Holdings plc, although she will be stepping down from that company's board in February 2021. Most recently Kath was appointed a non-executive director of United Utilities Group plc where she is a member of the remuneration and nomination committees.

## **2. Conflicts Of Interest**

There are no potential or actual conflicts of interest between any duties of the Directors or Proposed Director towards the Company or the TP ICAP Group and their private interests and/or other duties.

## **3. Compensation**

Under the terms of their service contracts, letters of appointment, employment agreements and any applicable incentive plans, effective in the year ended 31 December 2020, the aggregate basic remuneration and benefits (including pension contributions on a defined contribution basis but excluding variable remuneration, as explained further below) to the Directors who served during the year ended 31 December 2020, consisting of 11 individuals, was £2,533,529.

The remuneration and benefits of the Non-Executive Directors of the TP ICAP Board who served during 2020, in respect of the year ended 31 December 2020, were as follows:

<u>Name</u>	<u>Date of appointment</u>	<u>Start of current term of office</u>	<u>Fees</u>	<u>Taxable benefit (£)</u>	<u>Total Board Fees</u>
Richard Berliand . . . . .	March 2019	May 2020	300,000	n/a	300,000
Angela Knight <sup>(1)</sup> . . . . .	September 2011	May 2020	124,205	n/a	124,205
Edmund Ng . . . . .	November 2017	May 2020	126,250	n/a	126,250
Roger Perkin . . . . .	July 2012	May 2020	105,000	n/a	105,000
Michael Heaney . . . . .	January 2018	May 2020	141,250	n/a	141,250
Angela Crawford-Ingle <sup>(2)</sup> . . . . .	March 2020	May 2020	71,654	n/a	71,654
Mark Hemsley <sup>(3)</sup> . . . . .	March 2020	May 2020	69,820	n/a	69,820
Lorraine Trainer <sup>(4)</sup> . . . . .	July 2018	n/a	42,314	n/a	42,314

Notes:

- (1) Angela Knight took over as chair of the Remuneration Committee from Lorraine Trainer on 13 May 2020. Her remuneration for 2020 has been pro-rated accordingly.
- (2) Angela Crawford-Ingle was appointed to the Board on 16 March 2020. Her remuneration for 2020 has been pro-rated accordingly.
- (3) Mark Hemsley was appointed to the Board on 16 March 2020. His remuneration for 2020 has been pro-rated accordingly.
- (4) Lorraine Trainer retired from the Board on 13 May 2020. Her remuneration for 2020 has been pro-rated accordingly.

The Non-Executive Directors' fees for 2021 are as follows:

<u>Position</u>	<u>Fees for 2021 (£)</u>
Chairman of the Board . . . . .	300,000
Board fee . . . . .	70,000
Senior Independent Director . . . . .	15,000
Audit Committee chair . . . . .	25,000
Other Audit Committee members . . . . .	10,000
Remuneration Committee chair . . . . .	25,000
Other Remuneration Committee members . . . . .	10,000
Nominations & Governance Committee chair . . . . .	n/a
Other Nominations & Governance Committee members . . . . .	n/a
Risk Committee chair . . . . .	25,000
Other Risk Committee members . . . . .	10,000
Regional engagement fee . . . . .	10,000
Overseas attendance allowance . . . . .	35,000

The remuneration and benefits to the Executive Directors who served during 2020, in respect of the financial year ended 31 December 2020, were as follows:

<u>Name</u>	<u>Date of appointment</u>	<u>Basic Salary</u>	<u>Taxable benefits</u>	<u>Short term variable</u>	<u>Long term variable (£)</u>	<u>Pension benefits</u>	<u>Non-taxable benefit</u>	<u>Total Remuneration</u>
Nicolas Breteau . . . . .	July 2018	670,000	1,233.12	—	—	—	n/a	671,233.12
Robin Stewart . . . . .	July 2018	432,500	1,233.12	—	—	6,336.00	n/a	440,069.12
Philip Price . . . . .	September 2018	437,500	1,233.12	—	—	3,000.06	n/a	441,733.18

Executive Directors' remuneration is made up of fixed and variable remuneration. Fixed remuneration includes base salary, pension and benefits. Benefits provided are medical and other benefits. Variable remuneration includes a short-term performance bonus, deferrals into shares and long-term incentive plans with performance measures that are critical drivers for the TP ICAP Group. The Executive Directors' variable remuneration for the financial year ended 31 December 2020 will be determined by the Remuneration Committee in advance of the 2021 annual general meeting.

Details of Share-Based awards held by the Directors are to be found under paragraph 6—*Directors' Interests in the Company* of Part XXIV of this Prospectus.

### ***Pension and benefit provision***

The Executive Directors are entitled to participate in the TP ICAP defined contribution pension scheme. In line with the pension allowance available to the wider UK employee population of the TP ICAP Group, the Executive Directors are eligible to receive an employer contribution of 6 per cent. of pensionable salary up to a cap set at £105,600, unless otherwise made available to all UK employees. As at 5 January 2021 (being the latest practicable date prior to publication of this document), no amounts have been set aside or accrued by the TP ICAP Group to provide pension benefits for the Executive Directors. In particular, the Executive Directors are not eligible for any defined benefits.

<b>Provision</b>	<b>Policy</b>
Private Medical Insurance . . . . .	Provided to the employee and their immediate family (subject to annual election). Subject to scheme rules.
Group Life Assurance . . . . .	Automatically provided to employees at 4 x base annual salary (capped at £166,200, so maximum lump sum benefit is £664,800). Subject to scheme rules.
Group Income Protection . . . . .	Automatically provided to employees at two thirds of base annual salary from 27 <sup>th</sup> week of absence, subject to claim acceptance, and which continues until return to work, retirement or death. Subject to scheme rules.
Holiday Pay . . . . .	30 days annual holiday entitlement
Other Benefits <sup>(1)</sup> . . . . .	Pension, digital GP, executive medical, employee assistance programme, season ticket loan, flu vaccination programme and other flexible benefits.

Note:

<sup>(1)</sup> Certain of these benefits are cost neutral for accounting purposes.

## **4. Corporate Governance**

The following description relates to the corporate governance structure which is intended to be in place for New TP ICAP on Admission and also represents the current corporate governance arrangements in place at TP ICAP.

### **4.1 UK Corporate Governance Code**

The TP ICAP Board is firmly committed to high standards of corporate governance. The principal governance rules applying to all companies listed on the main market of the London Stock Exchange (regardless of whether they are incorporated in the United Kingdom or elsewhere) are contained in the UK Corporate Governance Code 2018 published by the Financial Reporting Council (the **UK Corporate Governance Code**). TP ICAP considers that as at the date of this document, it is in compliance with the provisions of the UK Corporate Governance Code and that New TP ICAP will take the same approach as TP ICAP from Admission.

### **4.2 The Board**

The UK Corporate Governance Code currently provides that at least half of the board of directors (excluding the Chair) of a UK listed company should be non-executive directors whom the Board considers to be independent.

The Board of directors of New TP ICAP, as at the date of this Prospectus, comprises Nicolas Breteau (the TP ICAP Group Chief Executive Officer), Robin Stewart (the TP ICAP Group Chief Financial Officer) and Philip Price (the TP ICAP Group General Counsel and, prior to Admission but after the date of this Prospectus, the Proposed Directors will be appointed as directors of New TP ICAP on substantially the same terms of appointment as they have with TP ICAP. The non-executive directors, all of whom are considered by the TP ICAP Board to be independent, have extensive experience of senior roles in financial institutions, a keen understanding of financial markets and the international experience and global outlook necessary for the direction of the business.

The UK Corporate Governance Code also provides that the Board of directors should appoint one of its independent Non-Executive Directors as a Senior Independent Director. Angela Knight is the current Senior

Independent Director, but Michael Heaney will assume the role upon Angela's retirement from the Board at the conclusion of the Company's 2021 annual general meeting in May 2021. The Senior Independent Director should provide a sounding board for the Chairman and serve as an intermediary, when required, for the other directors and for shareholders.

The UK Corporate Governance Code also provides that a Non-Executive Director should be appointed for engagement with the workforce. The Board has appointed Michael Heaney, Edmund Ng and Mark Hemsley as designated workforce engagement Non-Executive Directors for each of the TP ICAP Group's three key regions (the Americas, Asia Pacific and EMEA respectively), to improve oversight and communication with employees and gain a deeper understanding of their views.

The TP ICAP Board held eight scheduled meetings and multiple off-cycle sessions during the year ended 31 December 2020.

Most Board Committee meetings tend to be scheduled around Board meetings in such a way that Committee chairpersons can give a full and timely report to their colleagues on Committee debate and decision making and bring to the Board's attention any issues of note or concern.

The process for the appointment of directors to the Board is led by the Chairman and the Nominations & Governance Committee. The terms of Non-Executive Directors' appointments are set out in their letter of appointment. The letters of appointment are not for a fixed term, but each Non-Executive Director is subject to annual re-appointment by shareholders at the annual general meeting. Each Non-Executive Director appointment is also formally reviewed by the Nominations & Governance Committee on the third anniversary of that Director's appointment, with the Nominations & Governance Committee determining whether the Non-Executive Director continues to commit appropriate time to the Company, the Board and its Committees, that there are no overboarding concerns and that the Director continues to contribute effectively to the Board's discussions. Any extension of a non-executive director's appointment beyond six years will be subject to rigorous review, taking into account the strengths and profile of the individual and balancing the need for continuity of knowledge and experience and the refreshing of skills and outlook. Both the TP ICAP Articles and New TP ICAP provide that all directors are subject to reappointment by shareholders at each annual general meeting.

#### **4.3 Board Committees**

TP ICAP has established Audit, Nomination & Governance, Remuneration and Risk Committees with formally delegated duties and responsibilities set out in written terms of reference.

The following descriptions relate to the Board Committees which it is intended will be in place for New TP ICAP on Admission and represent the current Board Committees in place at TP ICAP.

##### ***Audit Committee***

###### ***Current members***

The members of TP ICAP's Audit Committee are Roger Perkin (Committee Chair), Angela Knight and Angela Crawford-Ingle. Kath Cates will become a member of the Audit Committee upon her effective date of appointment to the Board and Edmund Ng will also be appointed to the Audit Committee with effect from the conclusion of the 2021 annual general meeting of the Company in May 2021. Angela Crawford-Ingle will assume the role of Committee Chair upon Roger Perkin's retirement from the Board at the conclusion of the Company's 2021 Annual General Meeting in May 2021.

The UK Corporate Governance Code provides that the Audit Committee should be comprised of at least three members who should all be independent non-executive directors, that at least one member should have recent and relevant financial experience, and that the Audit Committee as a whole shall have competence relevant to the sector in which the TP ICAP Group operates. Roger Perkin is a director of Hargreaves Lansdown PLC and AIB Group (UK) plc. He was previously a partner at Ernst & Young LLP and spent 40 years in the accountancy profession, and is considered by the Board to have the necessary recent and relevant financial experience for his role as Committee Chairman. Similarly, the Board considers that Angela Crawford-Ingle has the necessary recent and relevant financial experience for this role given she is a qualified chartered accountant, was previously a Partner at PricewaterhouseCoopers for 30 years specialising in Financial Services and currently chairs the audit committees at Lloyds of London, River and Mercantile Group plc and at Openwork Limited.



The other members of the Audit Committee also hold, or have held, senior leadership roles in a variety of financial institutions. TP ICAP, therefore, considers that it complies with the UK Corporate Governance Code recommendation regarding the composition of the Audit Committee.

The Audit Committee held four scheduled meetings and one extraordinary meeting during the year ended 31 December 2020.

#### *Role of the Audit Committee*

The Audit Committee operates under defined terms of reference and its principal responsibilities include:

- providing recommendations on the appointment, reappointment, removal and terms of engagement of the external auditor;
- approving the audit fee and ensuring that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
- reviewing the independence, objectivity and experience of the external auditor;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services;
- initiating and supervising a tender process for the external audit in accordance with regulatory requirements, including influence over the appointment of the engagement partner and to be responsible for the selection procedures for the appointment of audit firms.
- if an auditor resigns, to investigate the issues leading to this and decide whether any action is required
- agreeing with the Board a policy on the employment of former employees of the Company's auditor and monitoring the implementation of this policy;
- monitoring the auditor's compliance with the Ethical Standard and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
- assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process;
- reviewing and approving the annual audit plan, scope of engagement and reviewing the effectiveness of the audit process;
- overseeing the relationship with the external auditor including review and agreement of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- monitoring the integrity of TP ICAP's financial statements and any formal announcements relating to the Company's financial performance;
- reviewing and challenging where necessary all material information presented with the financial statements. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company it shall report its views to the Board;
- evaluating the risks to the quality and effectiveness of the financial reporting process, especially in light of the auditor's communication with the Committee;
- reviewing the results of the audit;
- reviewing the effectiveness of TP ICAP'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 TP ICAP's procedures for preventing and detecting fraud and bribery;
- reporting to the Board on how the Audit Committee has discharged its responsibilities; and
- providing advice to the Board on whether the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess TP ICAP's position, performance, business model and strategy.

## ***Nominations & Governance Committee***

### ***Current members***

The current members of the Nominations & Governance Committee are Richard Berliand (Committee Chairman), Angela Knight, Roger Perkin, Edmund Ng, Michael Heaney, Angela Crawford-Ingle, Mark Hemsley and Tracy Clarke. Kath Cates will become a member of the Nominations & Governance Committee upon her effective date of appointment to the Board.

The UK Corporate Governance Code provides that the majority of the members of the Nominations & Governance Committee should be independent non-executive directors. TP ICAP, therefore, considers that it complies with the UK Corporate Governance Code recommendations regarding the composition of the Nominations & Governance Committee.

The Nominations & Governance Committee held nine scheduled meetings during the year ended 31 December 2020. In addition to the nine scheduled meetings, five further extraordinary meetings were held.

### ***Role of the Nominations & Governance Committee***

The Nominations & Governance Committee operates under defined terms of reference and its principal responsibilities include:

- regularly reviewing the structure, size and composition of the Board;
- reviewing the balance and skill, knowledge and experience, independence and diversity (including age, gender, social and ethnic backgrounds, and cognitive and personal strengths) of the Board in order for it to competently discharge its duties and, having regard to the strategic direction of the TP ICAP Group, make recommendations to the Board as to adjustments, measures and/or appropriate training and development that may be appropriate;
- considering the succession planning process for the identification of suitable candidates for appointment to the Board and to senior management, including to the level immediately below Executive Committee and having regard to the skills, knowledge, experience, independence and diversity required on the Board and at senior management level in the future;
- as part of the on-going succession planning process, assessing whether or not the desired outcomes of the Company are being achieved, and amending the process as required;
- agreeing and implementing procedures for the selection of new Board appointments;
- making recommendations to the Board on all proposed new appointments, elections and re-elections of Directors at Annual General Meetings;
- making recommendations to the Board on the membership of the Board's Committees;
- agreeing procedures for the selection of, and making recommendations to, the UK Regulated Entity boards on new appointments of independent Non-Executive Directors and considering the succession planning process for the UK Regulated Entity boards;
- reviewing the balance, skills, knowledge and experience, time commitment, independence and diversity of the UK Regulated Entity boards, and making recommendations as required;
- developing and overseeing the performance evaluation process for the Board, Board committees and Directors' considering the results of the same that relate to the composition of the Board and overseeing any remedial action required;
- reviewing annually the time required from non-executive directors, and assessing whether they are meeting that requirement;
- making recommendations to the Board on the proposed re-election of an existing director retiring by way of rotation or otherwise at any annual general meeting of the Company taking into consideration the evaluation of the retiring director's performance;
- assessing and making recommendations to the Board as to the independence of Directors;
- advising the Board on all corporate governance matters, including the TP ICAP Group's compliance with the UK Corporate Governance Code, its progress in achieving its diversity objectives and the content of key non-pay related workforce policies;

- reviewing and making appropriate recommendations to the Board on compliance pursuant to the requirements of S172 of the Companies Act 2006 including, inter alia, the identification of key stakeholders, engagement mechanisms and associated reporting;
- where departure from “comply or explain” standards is required or believed to be appropriate, the Committee will recommend to the Board the appropriate explanation to be communicated to shareholders in the annual report. Where this overlaps with the work of another Board Committee the proposed explanation will also be reviewed by the relevant Board Committee;
- with assistance of the TP ICAP Group General Counsel and Group Company Secretary, advising the Board periodically with respect to significant developments in the law and practice of corporate governance;
- making recommendations to the Board on all matters of corporate governance including any proposed changes to existing governance structures, practices or policies;
- reviewing and assessing the Company’s compliance with, and policies and processes relating to, the Senior Managers and Certification Regime and/or other relevant regulatory regime(s) to which the Company is required to comply;
- assisting the Board in its review, at least annually, of the gender, ethnic and social diversity of the TP ICAP Group’s workforce and the TP ICAP Group’s progress in achieving its diversity objectives;
- reviewing and approving (for recommendation to the Board where required) the content of key non-pay related workforce policies (including, but not limited to, those relating to social and environmental matters and conduct);
- annually reviewing the Company’s directors’ and officers’ liability insurance;
- producing a report to be included in the Company’s annual report which describes the work of the Committee and how it has discharged its responsibilities;
- and, if thought fit, recommending to the Board for approval the Corporate Governance Statement for inclusion in the annual report;
- reviewing and considering any actual or potential conflicts or related person transactions involving a Director;
- making recommendations to the Board as to the TP ICAP Group’s approach to social responsibility and environmental matters;
- reviewing and providing guidance on TP ICAP’s code of conduct, share dealing code and related policies;
- reviewing requests from directors for authorisation of situations of actual or potential conflict and make recommendations to the Board in relation to the authorisation of such situations, in accordance with the Company’s articles of association;
- regularly reviewing any situations of actual or potential conflict that have been previously authorised by the Board, together with any updates and making recommendations to the Board regarding whether the authorisation remains appropriate; and
- reviewing and approving related person transactions and reporting these to the Board.

### ***Remuneration Committee***

#### ***Current members***

The current members of the Remuneration Committee are Angela Knight (Committee Chair), Edmund Ng, Michael Heaney and Tracy Clarke. Tracy Clarke will assume the role of Committee Chair upon Angela Knight’s retirement from the Board at the conclusion of the Company’s 2021 annual general meeting in May 2021. The UK Corporate Governance Code provides that the Remuneration Committee should be comprised exclusively of independent non-executive directors with a minimum membership of three. TP ICAP, therefore, considers that it complies with the UK Corporate Governance Code provisions regarding the composition of the Remuneration Committee.

The Remuneration Committee held nine meetings during the year ended 31 December 2020. In addition to the seven scheduled meetings, two further extraordinary meetings were held.

### *Role of the Remuneration Committee*

The Remuneration Committee operates under defined terms of reference and its principal responsibilities include:

- reviewing and approving the general principles of TP ICAP's remuneration policies and giving full consideration to the principles of good governance and specifically the code of best practice contained in the UK Corporate Governance Code 2018 and the FCA Remuneration Code;
- considering the relationship between incentives and risk, including review of the Enterprise Risk Management Framework to assess risks which may be affected by remuneration policies, and ensuring that risk and risk appetite are properly considered in setting remuneration policy;
- determining the application of TP ICAP's remuneration policies to the Executive Directors;
- reviewing the application of TP ICAP's remuneration policies to senior management, brokers, engaged in control functions and other employees including compliance with the FCA Remuneration Code;
- 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;
- reviewing wider workforce pay and considering the mechanisms for explaining to the workforce how executive pay is aligned with wider workforce remuneration; and
- reviewing TP ICAP's gender and ethnic pay gaps and overseeing the implementation of any required actions.

### *Risk Committee*

#### *Current members*

The current members of the Risk Committee are Michael Heaney (Interim Committee Chairman), Angela Knight, Edmund Ng, Roger Perkin, Angela Crawford-Ingle and Mark Hemsley. Kath Cates will become a member of the Risk Committee upon her effective date of appointment to the Board and will assume the role of Committee Chair from Michael Heaney (who will remain a member of the Risk Committee) at the conclusion of the Company's 2021 annual general meeting in May 2021. On that date Edmund Ng will also step down from the Risk Committee.

The UK Corporate Governance Code provides that the Board should carry out a robust assessment of the Company's emerging and principal risks and monitor the company's risk management and internal control systems. TP ICAP has set up the Risk Committee to ensure that the TP ICAP Group complies with its obligations under the UK Corporate Governance Code and to promote a sound risk management culture underpinned by a robust framework of risk governance and controls.

The Risk Committee held six scheduled meetings during the year ended 31 December 2020. In addition to the five scheduled meetings, one further extraordinary meeting was held.

### *Role of the Risk Committee*

The Risk Committee operates under defined terms of reference and its principal responsibilities include:

- overseeing the development, implementation, effectiveness and maintenance of the TP ICAP 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 TP ICAP Group's strategy;
- overseeing the implementation of the TP ICAP Group's Enterprise Risk Management Framework including the adoption of risk tolerances to embed risk appetite and the adoption and implementation of Risk Management Standards;
- monitoring the Enterprise Risk Management Framework by ensuring that an annual review of its effectiveness has been carried out;

- reviewing the resourcing within the Three Lines of Defence model to ensure the TP ICAP Group has the capacity to operate the Enterprise Risk Management Framework effectively;
- tracking risk management activity against the annual Risk Plan;
- monitoring risk exposure against risk appetite and agreeing any risk response required to address any breach of risk appetite;
- reviewing the status of the control environment and track the status of any remedial actions required to remediate control deficiencies;
- identifying and monitoring Emerging Risks with the potential to impact the organisation and enable relevant mitigants where appropriate;
- 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 TP ICAP 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;
- considering the prospects of TP ICAP in light of its current position and principal risks and assessing whether there is a reasonable expectation that TP ICAP will be able to continue to operate and meet its liabilities as they fall due;
- reviewing the TP ICAP Group's prudential regulatory requirements and related submissions (capital and liquidity/ICAAP) and making recommendations to the Board;
- considering the risks arising from any strategic initiatives and advising the Board accordingly;
- aligning the key risks of TP ICAP to the internal audit plan;
- 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, Group General Counsel and Group Head of Compliance and making appropriate recommendations to the Board;
- reviewing reports from management and the internal auditor on the effectiveness of systems for risk management;
- monitoring the risk management and compliance framework by ensuring that an annual review of effectiveness has been carried out;
- 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 TP ICAP Group;
- liaising with the Audit Committee to ensure clear delineation of responsibilities; and
- reviewing the TP ICAP Group's culture monitoring activities.

## PART XVI

### SELECTED FINANCIAL INFORMATION OF THE TP ICAP GROUP

*The selected consolidated financial information set forth below shows the TP ICAP Group's historical consolidated financial information as at and for the years ended 31 December 2019, 2018 and 2017, and for the nine months ended 30 September 2020 and 2019. The information set forth below has been extracted without material adjustment from, and should be read in conjunction with, the TP ICAP Group's audited consolidated financial information incorporated by reference in this document and unaudited consolidated interim financial information included in this document (See Part V: "Important Information—Presentation of Financial Information" and Part VI: "Information Incorporated by Reference" of this document).*

*The selected consolidated financial information of the TP ICAP Group should also be read in conjunction with Part XX: "Operating and Financial Review of the TP ICAP Group" and Part VI: "Information Incorporated by Reference" of this document.*

#### 1. Consolidated Income Statement

	Year ended 31 December			Nine months ended 30 September	
	2017 (audited)	2018 (audited) (£ million)	2019 (audited)	2019 (unaudited)	2020 (unaudited) (£ million)
<b>Revenue</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
Administrative expenses	(1,671)	(1,681)	(1,716)	(1,246)	(1,242)
Impairment loss on trade receivables	(2)	(1)	—	—	—
Other operating income	18	12	25	10	11
<b>Operating profit</b>	<b>102</b>	<b>93</b>	<b>142</b>	<b>164</b>	<b>147</b>
Finance income	6	5	6	4	2
Finance costs	(36)	(36)	(55)	(41)	(39)
<b>Profit before tax</b>	<b>72</b>	<b>62</b>	<b>93</b>	<b>127</b>	<b>110</b>
Taxation	3	(39)	(40)	(36)	(42)
<b>Profit after tax</b>	<b>75</b>	<b>23</b>	<b>53</b>	<b>91</b>	<b>68</b>
Share of results of associates and joint ventures	12	12	15	13	13
<b>Profit for the period</b>	<b>87</b>	<b>35</b>	<b>68</b>	<b>104</b>	<b>81</b>
<b>Attributable to:</b>					
Equity holders of TP ICAP plc	87	32	67	103	80
Non-controlling interests	—	3	1	1	1
	<b>87</b>	<b>35</b>	<b>68</b>	<b>104</b>	<b>81</b>

## 2. Consolidated Balance Sheet

	As at 31 December			As at 30 September
	2017	2018	2019	2020
	(audited)	(audited) (£ million)	(audited)	(unaudited) (£ million)
<b>Non-current assets</b>				
Intangible assets arising on consolidation . . . . .	1,642	1,594	1,511	1,501
Other intangible assets . . . . .	69	69	61	58
Property, plant and equipment . . . . .	38	74	72	89
Right-of-use assets . . . . .	—	—	91	162
Investment in associates . . . . .	52	53	58	61
Investment in joint ventures . . . . .	24	26	28	26
Other investments . . . . .	19	20	20	17
Deferred tax assets . . . . .	2	4	3	3
Retirement benefit assets . . . . .	57	55	—	—
Other long-term receivables . . . . .	19	20	26	24
	<b>1,922</b>	<b>1,915</b>	<b>1,870</b>	<b>1,941</b>
<b>Current assets</b>				
Trade and other receivables . . . . .	34,690	22,798	49,371	70,897
Financial investments . . . . .	139	133	148	164
Cash and cash equivalents . . . . .	622	667	676	679
	<b>35,451</b>	<b>23,598</b>	<b>50,195</b>	<b>71,740</b>
<b>Total assets</b> . . . . .	<b>37,373</b>	<b>25,513</b>	<b>52,065</b>	<b>73,681</b>
<b>Current liabilities</b>				
Trade and other payables . . . . .	(34,681)	(22,735)	(49,305)	(70,762)
Interest bearing loans and borrowings . . . . .	(12)	(144)	(11)	(91)
Lease liabilities . . . . .	—	—	(23)	(26)
Current tax liabilities . . . . .	(46)	(55)	(48)	(23)
Short term provisions . . . . .	(42)	(31)	(21)	(14)
	<b>(34,781)</b>	<b>(22,965)</b>	<b>(49,408)</b>	<b>(70,916)</b>
<b>Net current assets</b> . . . . .	<b>670</b>	<b>633</b>	<b>787</b>	<b>824</b>
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings . . . . .	(577)	(498)	(678)	(679)
Lease liabilities . . . . .	—	—	(117)	(190)
Deferred tax liabilities . . . . .	(116)	(123)	(83)	(82)
Long-term provisions . . . . .	(19)	(30)	(26)	(23)
Other long-term payables . . . . .	(43)	(64)	(21)	(25)
Retirement benefit obligations . . . . .	(4)	(3)	(2)	(2)
	<b>(759)</b>	<b>(718)</b>	<b>(927)</b>	<b>(1,001)</b>
<b>Total liabilities</b> . . . . .	<b>(35,540)</b>	<b>(23,683)</b>	<b>(50,335)</b>	<b>(71,917)</b>
<b>Net assets</b> . . . . .	<b>1,833</b>	<b>1,830</b>	<b>1,730</b>	<b>1,764</b>
<b>Equity</b>				
Equity attributable to equity holders of TP ICAP plc . . . . .	1,820	1,814	1,712	1,744
Non-controlling interests . . . . .	13	16	18	20
<b>Total equity</b> . . . . .	<b>1,833</b>	<b>1,830</b>	<b>1,730</b>	<b>1,764</b>

### 3. Consolidated Cash Flow Statement

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(audited)	(audited) (£ million)	(audited)	(unaudited) (£ million)	(unaudited)
<b>Cash flows from operating activities</b>	<b>87</b>	<b>149</b>	<b>148</b>	<b>26</b>	<b>75</b>
<b>Investing activities</b>					
Sale/(purchase) of financial investments	(54)	4	(20)	(2)	(17)
Sale of equity instruments at FVTOCI	—	7	1	1	2
Purchase of equity instruments at FVTOCI	—	—	(1)	(1)	—
Sale of available-for-sale investments	4	—	—	—	—
Interest received	3	3	5	4	3
Dividends from associates and joint ventures	13	10	10	9	11
Expenditure on intangible fixed assets	(26)	(26)	(20)	(15)	(10)
Purchase of property, plant and equipment	(15)	(47)	(13)	(13)	(22)
Rights-of-use asset capital expenditure	—	—	—	—	(2)
Deferred consideration paid	(4)	(3)	(12)	(11)	(21)
Investment in associates	(1)	(2)	(5)	(5)	(1)
Acquisition consideration paid	(5)	(18)	—	—	(18)
Cash acquired with acquisitions	1	1	—	—	2
<b>Net cash flows from investment activities</b>	<b>(84)</b>	<b>(71)</b>	<b>(55)</b>	<b>(33)</b>	<b>(73)</b>
<b>Financing activities</b>					
Dividends paid	(58)	(94)	(94)	(63)	(63)
Dividends paid to non-controlling interests	(1)	(1)	(1)	(1)	(1)
Dividend equivalents paid on share-based awards	—	—	(1)	(1)	—
Sale of equity to non-controlling interests	—	—	6	—	—
Equity repayment to non-controlling interests	(6)	—	—	—	—
Share issue costs	(7)	—	—	—	—
Own shares acquired for employee trusts	(4)	(5)	(7)	(7)	(9)
Drawdown of revolving credit facility	—	87	39	39	161
Repayment of revolving credit facility	—	(35)	(91)	(61)	(151)
Funds received from loans from related parties	—	—	35	35	72
Repayment of loans from related parties	—	—	(38)	(38)	—
Gain on derivative financial instruments	—	—	3	3	—
Funds received from issue of Sterling Notes	500	—	250	250	—
Repayment/repurchase of Sterling Notes	—	—	(149)	(149)	—
Repayment of bank debt	(470)	—	—	—	—
Bank facility arrangement fees and debt issue costs	(3)	(3)	(2)	(2)	—
Payment of lease liabilities	—	—	(21)	(11)	(14)
<b>Net cash flows from financing activities</b>	<b>(49)</b>	<b>(51)</b>	<b>(71)</b>	<b>(6)</b>	<b>(5)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(46)</b>	<b>27</b>	<b>22</b>	<b>(13)</b>	<b>(3)</b>
Net cash and cash equivalents at the beginning of the period	696	622	667	667	676
Adjustment on initial application of IFRS 9	—	(1)	—	—	—
Effect of foreign exchange rate changes	(28)	19	(13)	13	6
<b>Net cash and cash equivalents at period end</b>	<b>622</b>	<b>667</b>	<b>676</b>	<b>667</b>	<b>679</b>



## 4. Segmental Results

### 4.1 By region

	Year ended 31 December			Nine months ended 30 September	
	2017	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2019	2020
	(£ million)			(£ million)	
<b>Revenue by region</b>					
EMEA	877	886	900	690	677
Americas	628	636	687	521	519
Asia Pacific	252	241	246	189	182
<b>Total revenue</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
<b>Underlying operating profit by region</b>					
EMEA	170	173	164	141	126
Americas	64	81	94	75	77
Asia Pacific	29	22	21	18	15
<b>Total underlying operating profit<sup>(2)</sup></b>	<b>263</b>	<b>276</b>	<b>279</b>	<b>234</b>	<b>218</b>

#### Notes:

- (1) Under the IFRS 16 transition approach adopted by the TP ICAP Group, segment results for the years ended 31 December 2017 and 2018 which were prepared under IAS 17 have not been restated. Consequently the segment results for the year ended 31 December 2019 are not directly comparable with those reported for previous periods.
- (2) As a result of the adoption of IFRS 16, underlying operating profit for 2019 includes depreciation of £10 million for EMEA, £5 million for Americas and £6 million for Asia Pacific regions, and interest payable on lease liabilities of £2 million for EMEA, £8 million for Americas and £2 million for Asia Pacific regions. Underlying profit for 2018 and 2017, which did not reflect IFRS 16, includes operating lease expense of £12 million for EMEA, £9 million for Americas and £7 million for Asia Pacific in 2018 and operating lease expense of £14 million for EMEA, £10 million for Americas and £8 million for Asia Pacific in 2017.

### 4.2 By business division

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)			(£ million)	
<b>Revenue by division</b>					
Rates <sup>(1)</sup>	528	523 <sup>(1)</sup>	537	417	399
Credit	117	101	94	73	70
FX & Money Markets	218	207	201	154	142
Emerging Markets	225	213	213	164	144
Equities	182	210	199	151	147
Inter-Divisional	N/A <sup>(3)</sup>	18	18	13	14
<b>Global Broking revenue</b>	<b>1,270</b>	<b>1,272</b>	<b>1,262</b>	<b>972</b>	<b>916</b>
Energy & Commodities	343	331	379	285	297
Inter-Divisional	N/A <sup>(3)</sup>	2	3	2	2
<b>Total Energy &amp; Commodities</b>	<b>343</b>	<b>333</b>	<b>382</b>	<b>287</b>	<b>299</b>
Institutional Services	32	61 <sup>(1)</sup>	75	57	73
Data & Analytics <sup>(2)</sup>	112	117	135	99	106
Inter-Divisional Eliminations	N/A <sup>(3)</sup>	(20)	(21)	(15)	(16)
<b>Total Revenue</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
<b>Underlying operating profit by division</b>					
Global Broking	N/A <sup>(3)</sup>	253	221	197	160
Energy & Commodities	N/A <sup>(3)</sup>	32	46	36	39
Institutional Services	N/A <sup>(3)</sup>	1	3	4	8
Data & Analytics	N/A <sup>(3)</sup>	49	59	44	45
Corporate Centre (and other unallocated costs)	N/A <sup>(3)</sup>	(59)	(50)	(47)	(34)
<b>Underlying operating profit</b>	<b>N/A</b>	<b>276</b>	<b>279</b>	<b>234</b>	<b>218</b>

#### Notes:

- (1) In 2019, part of the Rates business division (representing the RV businesses) were reclassified from Global Broking to the Institutional Services division. The 2018 division results were reclassified to reflect this change, but division results for 2017 and

previous periods were not reclassified. Consequently, the division results for the year ended 31 December 2018 and 2019 are not directly comparable with those reported for previous periods. 2018 revenue has been restated to reclassify £24 million from Global Broking to Institutional Services.

- (2) Contracts for the provision of Data & Analytics services gives the TP ICAP Group a right to revenue which corresponds directly to the value of the performance completed. The TP ICAP Group has applied the practical expedient in IFRS 15 and has not disclosed either the remaining amount due under the contract nor when the TP ICAP Group expects to recognise that amount.
- (3) Prior to 2019, TP ICAP Group did not report operating profit by business division. The Operating Profit split was first implemented in the TP ICAP 2019 Financial Statements with a comparison for 2018 included therein.

## 5. Other Financial Information

### 5.1 Reconciliation of operating profit to underlying operating profit

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)			(£ million)	
Operating profit	102	93	142	164	147
Acquisition, disposal & integration costs <sup>(1)</sup>	127	160	115	63	58
Exceptional items <sup>(2)</sup>	34	23	22	7	13
<b>Underlying operating profit</b>	<b>263</b>	<b>276</b>	<b>279</b>	<b>234</b>	<b>218</b>

#### Notes:

- (1) Acquisition, disposal & integration costs include 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 business combination that do not constitute fees relating to the arrangement of financing; amortisation of intangible assets arising on consolidation; any remeasurement after initial recognition of contingent consideration which has been classified as a liability; and any gains or losses on the revaluation of previous interests.
- (2) Exceptional items include charges relating to business reorganisation, pension scheme past service and closure costs, charges relating to employee long-term benefits, charges relating to exceptional legal and regulatory costs and settlements, and related taxation.

### 5.2 Reconciliation of profit before tax to underlying profit before tax

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)			(£ million)	
Profit before tax	72	62	93	127	110
Acquisition, disposal & integration costs <sup>(1)</sup>	127	160	115	63	58
Exceptional items <sup>(2)</sup>	34	23	22	7	13
<b>Underlying profit before tax</b>	<b>233</b>	<b>245</b>	<b>230</b>	<b>197</b>	<b>181</b>

#### Notes:

- (1) Acquisition, disposal & integration costs include 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 business combination that do not constitute fees relating to the arrangement of financing; amortisation of intangible assets arising on consolidation; any remeasurement after initial recognition of contingent consideration which has been classified as a liability; and any gains or losses on the revaluation of previous interests.
- (2) Exceptional items include charges relating to business reorganisation, pension scheme past service and closure costs, charges relating to employee long-term benefits, charges relating to exceptional legal and regulatory costs and settlements, and related taxation.

### 5.3 Other APMs

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
Average broker headcount	2,842	2,727	2,740	2,722	2,884
Average contribution per broker (£ thousand) <sup>(1)</sup>	222	229	228	181	163
Average revenue per broker (£ thousand) <sup>(2)</sup>	579	604	620	478	441
Broking contribution (£ million) <sup>(3)</sup>	600	624	626	494	471
Data & Analytics contribution (£ million) <sup>(4)</sup>	70	55	68	49	53
Contribution (£ million) <sup>(5)</sup>	670	679	694	543	524
Ratio of front office to support function employees <sup>(6)</sup>	1.34	1.29	1.29	1.29	1.31
Underlying operating profit margin <sup>(7)</sup>	15.0%	15.7%	15.2%	16.7%	15.8%

#### Notes:

- (1) Average contribution per broker represents broking contribution divided by the average broker headcount.
- (2) Average revenue per broker is defined as Total Broking revenues divided by average broker headcount.
- (3) Broking contribution represents Total broking revenues less total front office costs of the Global Broking, Energy & Commodities and Institutional Services divisions, inclusive of the revenue internally generated from data provided to the Data & Analytics business.
- (4) Data & Analytics contribution represents Data & Analytics revenue less total front office costs associated with running the business, including the cost of internally generated data from the broking businesses.
- (5) Contribution is calculated as the sum of Broking contribution and Data & Analytics contribution. The TP ICAP Group measures Broking contribution and Data & Analytics contribution.
- (6) Ratio of front office to support function employees is calculated by dividing the number of front office revenue-generating employees by the number of support function employees. The ratio of front office employees to support function employees is an indicator of the efficiency of the TP ICAP Group's business model.
- (7) Underlying operating profit margin is calculated by dividing underlying operating profit by revenue for the period. Underlying operating profit margin is a measure of the underlying profitability of the business and is principally driven by revenue, broker compensation and other administrative expenses.

### 5.4 Reconciliation of revenue to total broking revenues

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)				
<b>Revenue</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
Data & Analytics revenue	(112)	(117)	(135)	(99)	(106)
<b>Total broking revenues</b>	<b>1,645</b>	<b>1,646</b>	<b>1,698</b>	<b>1,301</b>	<b>1,272</b>

### 5.5 Reconciliation of revenue to broking contribution

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)				
<b>Revenue</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
Data & Analytics revenue	N/A <sup>(1)</sup>	(117)	(135)	(99)	(106)
Global Broking front-office costs	N/A <sup>(1)</sup>	(764)	(775)	(582)	(564)
Energy & Commodities front-office costs	N/A <sup>(1)</sup>	(229)	(261)	(197)	(200)
Institutional Services front-office costs	N/A <sup>(1)</sup>	(49)	(57)	(43)	(53)
Inter-division charges <sup>(2)</sup>	N/A <sup>(1)</sup>	20	21	15	16
<b>Broking contribution</b>	<b>N/A<sup>(1)</sup></b>	<b>624</b>	<b>626</b>	<b>494</b>	<b>471</b>

#### Notes:

- (1) Comparable figures for the year ended 31 December 2017 are not available.
- (2) Represents the cost of internally generated data from the broking businesses to the Data & Analytics business.

## 5.6 Reconciliation of Data & Analytics revenue to Data & Analytics contribution

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	<i>(£ million)</i>				
<b>Data &amp; Analytics revenue</b> . . . . .	<b>112</b>	<b>117</b>	<b>135</b>	<b>99</b>	<b>106</b>
Data & Analytics front-office costs . . . . .	N/A <sup>(1)</sup>	(42)	(46)	(35)	(37)
Inter-division front-office costs <sup>(2)</sup> . . . . .	N/A <sup>(1)</sup>	(20)	(21)	(15)	(16)
<b>Data &amp; Analytics contribution</b> . . . . .	<b>N/A<sup>(1)</sup></b>	<b>55</b>	<b>68</b>	<b>49</b>	<b>53</b>

### Notes:

(1) Comparable figures for the year ended 31 December 2017 are not available.

(2) Represents the cost of internally generated data from the broking businesses to the Data & Analytics business.

## PART XVII

### SELECTED FINANCIAL INFORMATION OF THE LIQUIDNET GROUP

*The selected consolidated financial information set forth below shows the Liquidnet Group's historical consolidated financial information as at and for the years ended 31 December 2019, 2018 and 2017, and for the nine months ended 30 September 2020 and 2019. The information set forth below has been extracted without material adjustment from, and should be read in conjunction with, the Liquidnet Historical Financial Information and the Liquidnet 2020 Interim Financial Statements incorporated by reference into this Prospectus. See: "Historical Financial Information of the Liquidnet Group."*

*The selected consolidated financial information of the Liquidnet Group should also be read in conjunction with Part XXI: "Operating and financial review of the Liquidnet Group."*

#### 1. Consolidated Income Statement

	Year ended 31 December			Nine months ended 30 September	
	2017 <i>(audited)</i>	2018 <i>(audited)</i> (\$ million)	2019 <i>(audited)</i>	2019 <i>(unaudited)</i> (\$ million)	2020 <i>(unaudited)</i>
<b>Revenue</b> . . . . .	<b>318.3</b>	<b>341.5</b>	<b>302.2</b>	<b>225.7</b>	<b>254.6</b>
Administrative expenses . . . . .	(246.4)	(286.8)	(305.9)	(222.8)	(247.9)
<b>Operating profit</b> . . . . .	<b>71.9</b>	<b>54.7</b>	<b>(3.6)</b>	<b>2.9</b>	<b>6.7</b>
Finance income . . . . .	1.0	2.3	2.1	1.7	0.3
Finance costs . . . . .	(17.4)	(19.0)	(17.9)	(14.0)	(12.1)
<b>Profit before tax</b> . . . . .	<b>55.5</b>	<b>38.0</b>	<b>(19.5)</b>	<b>(9.4)</b>	<b>(5.0)</b>
Taxation . . . . .	(17.5)	(8.1)	6.7	0.9	1.0
<b>Profit after tax</b> . . . . .	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
<b>Profit for the period</b> . . . . .	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
<b>Attributable to:</b>					
Equity holders of the parent . . . . .	38.0	29.9	(12.8)	(8.5)	(4.0)
	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
<b>Alternative Performance Measures:</b>					
<b>EBITDA</b> . . . . .	<b>95.1</b>	<b>94.5</b>	<b>39.0</b>	<b>32.1</b>	<b>40.8</b>
<b>Adjusted EBITDA</b> . . . . .	<b>108.2</b>	<b>109.9</b>	<b>56.7</b>	<b>45.0</b>	<b>58.5</b>

## 2. Consolidated Balance Sheet

	As at 31 December			As at 30 September
	2017	2018	2019	2020
	(audited)	(audited) (\$ million)	(audited)	(unaudited) (\$ million)
<b>Non-current assets</b>				
Intangible assets arising on consolidation . . . . .	54.3	51.7	71.9	67.7
Other intangible assets . . . . .	19.9	26.6	30.9	29.0
Property, plant and equipment . . . . .	18.6	48.2	55.6	48.2
Right-of-use assets . . . . .	13.8	85.2	93.9	87.9
Other investments . . . . .	2.1	2.4	2.5	2.5
Deferred tax assets . . . . .	10.7	16.8	25.0	30.3
Retirement benefit assets . . . . .	—	1.7	2.6	2.6
Other long-term receivables . . . . .	3.5	0.3	—	—
	<b>123.0</b>	<b>233.0</b>	<b>282.3</b>	<b>268.2</b>
<b>Current assets</b>				
Trade and other receivables . . . . .	101.5	107.7	104.8	104.8
Cash and cash equivalents . . . . .	346.9	336.3	230.4	287.9
	<b>448.4</b>	<b>444.0</b>	<b>335.2</b>	<b>392.6</b>
<b>Total assets</b> . . . . .	<b>571.4</b>	<b>677.0</b>	<b>617.5</b>	<b>660.9</b>
<b>Current liabilities</b>				
Trade and other payables . . . . .	(160.1)	(160.3)	(138.8)	(161.5)
Interest bearing loans and borrowings . . . . .	(8.7)	(58.8)	(9.2)	(9.3)
Lease liabilities . . . . .	(13.5)	(4.0)	(5.6)	(7.0)
Current tax liabilities . . . . .	(8.5)	(5.8)	(4.3)	(1.4)
	<b>(190.8)</b>	<b>(228.9)</b>	<b>(157.9)</b>	<b>(179.2)</b>
<b>Net current assets</b> . . . . .	<b>257.6</b>	<b>215.1</b>	<b>177.4</b>	<b>213.4</b>
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings . . . . .	(180.4)	(121.6)	(112.4)	(123.5)
Lease liabilities . . . . .	(4.4)	(97.5)	(114.4)	(110.1)
Other long-term payables . . . . .	(1.8)	(1.3)	(2.4)	(2.4)
Retirement benefit obligations . . . . .	—	(1.9)	(2.7)	(2.5)
	<b>(186.7)</b>	<b>(222.2)</b>	<b>(232.0)</b>	<b>(238.5)</b>
<b>Total liabilities</b> . . . . .	<b>(377.5)</b>	<b>(451.1)</b>	<b>(389.9)</b>	<b>(417.7)</b>
<b>Net assets</b> . . . . .	<b>193.8</b>	<b>225.9</b>	<b>227.6</b>	<b>243.2</b>
<b>Equity</b>				
Equity attributable to equity holders of the parent . . . . .	193.8	225.9	227.6	243.2
<b>Total equity</b> . . . . .	<b>193.8</b>	<b>225.9</b>	<b>227.6</b>	<b>243.2</b>

### 3. Consolidated Cash Flow Statement

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(audited)	(audited) (\$ million)	(audited)	(unaudited) (\$ million)	(unaudited)
<b>Cash flows from operating activities</b>	<b>106.2</b>	<b>80.0</b>	<b>16.2</b>	<b>11.7</b>	<b>65.8</b>
<b>Investing activities</b>					
Sale/(purchase) of financial investments	(0.6)	(0.3)	(0.1)	(0.1)	—
Purchase of equity instruments at FVTOCI	—	—	—	—	0.3
Interest received	0.7	1.8	2.1	1.7	—
Expenditure on intangible fixed assets	(16.6)	(15.9)	(12.5)	(4.4)	—
Purchase of property, plant and equipment	(9.1)	(46.2)	(24.0)	(24.1)	(14.9)
Deferred consideration paid	—	(0.4)	(0.6)	—	—
Acquisition consideration paid	(16.0)	—	(25.6)	(25.6)	—
<b>Net cash flows from investment activities</b>	<b>(41.7)</b>	<b>(61.0)</b>	<b>(60.7)</b>	<b>(52.6)</b>	<b>(14.6)</b>
<b>Financing activities</b>					
Acquisition of own shares	(3.1)	(4.5)	(0.8)	(0.8)	(1.0)
Funds received from issue of term loan	198.0	—	—	—	—
Repayment of term loan principal	(158.1)	(10.0)	(60.0)	(37.5)	(7.5)
Bank facility arrangement fees and debt issue costs	(4.5)	—	—	—	—
Payment of lease liabilities	(12.4)	(9.6)	(2.7)	(1.6)	(3.3)
Proceeds from equity options exercised	0.1	0.8	0.1	0.1	—
Funds received from preferred stock obligation issue	—	—	—	—	17.3
Funds received from warrants issue	—	—	—	—	2.5
<b>Net cash flows from financing activities</b>	<b>20.0</b>	<b>(23.3)</b>	<b>(63.4)</b>	<b>(39.7)</b>	<b>8.0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>84.5</b>	<b>(4.3)</b>	<b>(108.0)</b>	<b>(80.6)</b>	<b>59.3</b>
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>254.5</b>	<b>346.9</b>	<b>336.3</b>	<b>336.3</b>	<b>230.4</b>
Effect of foreign exchange rate changes	7.9	(6.3)	2.1	(2.2)	(1.8)
<b>Net cash and cash equivalents at period end</b>	<b>346.9</b>	<b>336.3</b>	<b>230.4</b>	<b>253.5</b>	<b>287.9</b>

### 4. Other Financial Information

#### 4.1 Reconciliation of the Liquidnet Group's profit for the period to EBITDA and Adjusted EBITDA

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
<b>Profit for the period</b>	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
Taxation	17.5	8.1	(6.7)	(0.9)	(1.0)
Finance costs	17.4	19.0	17.9	14.0	12.1
Finance income	(1.0)	(2.3)	(2.1)	(1.7)	(0.3)
Depreciation and amortisation <sup>(1)</sup>	23.2	39.8	42.7	29.2	34.0
<b>EBITDA</b>	<b>95.1</b>	<b>94.5</b>	<b>39.0</b>	<b>32.1</b>	<b>40.8</b>
Impairment <sup>(2)</sup>	4.0	—	0.3	0.2	0.3
Equity based compensation <sup>(3)</sup>	9.6	9.3	13.7	10.9	17.4
Dual occupancy expense	—	6.5	1.6	1.6	—
Other non-recurring items <sup>(4)</sup>	(0.5)	(0.4)	2.1	0.2	—
<b>Adjusted EBITDA</b>	<b>108.2</b>	<b>109.9</b>	<b>56.7</b>	<b>45.0</b>	<b>58.5</b>

#### Notes:

- (1) Reduction in value of assets (including right-of-use assets, computer equipment, purchased software and software development costs, furniture and fixtures, office equipment and acquired intangibles) with the passage of time.
- (2) Permanent reduction in value of fixed or intangible assets.
- (3) Non-cash compensation expense based on equity value of the company.
- (4) Non-recurring items include M&A expenses, restructuring expenses and other.

## PART XVIII

### HISTORICAL FINANCIAL INFORMATION OF THE TP ICAP GROUP

#### 1. INCORPORATION OF HISTORICAL FINANCIAL INFORMATION BY REFERENCE

The information described below in the Consolidated Financial Statements, excerpted from the following documents which have been filed with the FCA, are incorporated into this document by reference:

- (a) the TP ICAP 2019 Annual Report;
- (b) the TP ICAP 2018 Annual Report; and
- (c) the TP ICAP 2017 Annual Report.

#### 2. CROSS-REFERENCE LISTS

The tables below set out the sections of the above documents which contain information incorporated by reference into, and forming part of, this Prospectus. They are intended to enable readers of this Prospectus to identify easily specific items of financial information which has been incorporated by reference herein. Only information in the parts of the above documents identified in this list below is incorporated into and forms part of this Part XVIII: “*Historical Financial Information of the TP ICAP Group.*”

##### 2.1 Year ended 31 December 2019

<u>Reference document</u>	<u>Information incorporated by reference into this Prospectus</u>	<u>Page number in reference document</u>
TP ICAP 2019 Annual Report . . . . .	Independent Auditor’s Report to the Members of TP ICAP plc	106–112
TP ICAP 2019 Annual Report . . . . .	Consolidated Income Statement	113
TP ICAP 2019 Annual Report . . . . .	Consolidated Statement of Comprehensive Income	114
TP ICAP 2019 Annual Report . . . . .	Consolidated Balance Sheet	115
TP ICAP 2019 Annual Report . . . . .	Consolidated Statement of Changes in Equity	116–117
TP ICAP 2019 Annual Report . . . . .	Consolidated Cash Flow Statement	118
TP ICAP 2019 Annual Report . . . . .	Notes to the Consolidated Financial Statements	119–176

##### 2.2 Year ended 31 December 2018

<u>Reference document</u>	<u>Information incorporated by reference into this Prospectus</u>	<u>Page number in reference document</u>
TP ICAP 2018 Annual Report . . . . .	Independent Auditor’s Report to the Members of TP ICAP plc	113–119
TP ICAP 2018 Annual Report . . . . .	Consolidated Income Statement	120
TP ICAP 2018 Annual Report . . . . .	Consolidated Statement of Comprehensive Income	121
TP ICAP 2018 Annual Report . . . . .	Consolidated Balance Sheet	122
TP ICAP 2018 Annual Report . . . . .	Consolidated Statement of Changes in Equity	123
TP ICAP 2018 Annual Report . . . . .	Consolidated Cash Flow Statement	124
TP ICAP 2018 Annual Report . . . . .	Notes to the Consolidated Financial Statements	125–175



## 2.3 Year ended 31 December 2017

Reference document	Information incorporated by reference into this Prospectus	Page number in reference document
TP ICAP 2017 Annual Report . . . . .	Independent Auditor's Report to the Members of TP ICAP plc	95–101
TP ICAP 2017 Annual Report . . . . .	Consolidated Income Statement	102
TP ICAP 2017 Annual Report . . . . .	Consolidated Statement of Comprehensive Income	103
TP ICAP 2017 Annual Report . . . . .	Consolidated Balance Sheet	104
TP ICAP 2017 Annual Report . . . . .	Consolidated Statement of Changes in Equity	105
TP ICAP 2017 Annual Report . . . . .	Consolidated Cash Flow Statement	106
TP ICAP 2017 Annual Report . . . . .	Notes to the Consolidated Financial Statements	107–152

## 3. UNAUDITED HISTORICAL FINANCIAL INFORMATION RELATING TO THE TP ICAP GROUP AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 AND 2019

### 3.1. Condensed Consolidated Income Statement

Nine months ended 30 September 2020 <i>(unaudited)</i>					
		Underlying	Acquisition, disposal and Integration costs (Note 7) <i>(£ million)</i>	Exceptional Items (Note 7)	Total
	<i>Notes</i>				
<b>Revenue</b> . . . . .	5	<b>1,378.0</b>	—	—	<b>1,378.0</b>
Administrative expenses . . . . .	6	(1,170.0)	(58.0)	(14.0)	(1,242.0)
Other operating income . . . . .	8	10.0	—	1.0	11.0
<b>Operating profit</b> . . . . .	5	<b>218.0</b>	<b>(58.0)</b>	<b>(13.0)</b>	<b>147.0</b>
Finance income . . . . .		2.0	—	—	2.0
Finance costs . . . . .		(39.0)	—	—	(39.0)
<b>Profit before tax</b> . . . . .		<b>181.0</b>	<b>(58.0)</b>	<b>(13.0)</b>	<b>110.0</b>
Taxation . . . . .		(45.0)	3.0	—	(42.0)
<b>Profit after tax</b> . . . . .		<b>136.0</b>	<b>(55.0)</b>	<b>(13.0)</b>	<b>68.0</b>
Share of results of associates and joint ventures . . . . .		13.0	—	—	13.0
<b>Profit for the period</b> . . . . .		<b>149.0</b>	<b>(55.0)</b>	<b>(13.0)</b>	<b>81.0</b>
<b>Attributable to:</b>					
Equity holders of TP ICAP plc . . . . .		148.0	(55.0)	(13.0)	80.0
Non-controlling interests . . . . .		1.0	—	—	1.0
		<b>149.0</b>	<b>(55.0)</b>	<b>(13.0)</b>	<b>81.0</b>

### 3.2. Condensed Consolidated Income Statement

Nine months ended 30 September 2019 <i>(unaudited)</i>					
		Underlying	Acquisition, disposal and Integration costs (Note 7) <i>(£ million)</i>	Exceptional Items (Note 7)	Total
	Notes				
Revenue . . . . .	5	1,400.0	—	—	1,400.0
Administrative expenses . . . . .	6	(1,176.0)	(63.0)	(7.0)	(1,246.)
Other operating income . . . . .	8	10.0	—	—	10.0
<b>Operating profit . . . . .</b>	5	<b>234.0</b>	<b>(63.0)</b>	<b>(7.0)</b>	<b>164.0</b>
Finance income . . . . .		4.0	—	—	4.0
Finance costs . . . . .		(41.0)	—	—	(41.0)
<b>Profit before tax . . . . .</b>		<b>197.0</b>	<b>(63.0)</b>	<b>(7.0)</b>	<b>127.0</b>
Taxation . . . . .		(49.0)	12.0	1.0	(36.0)
<b>Profit after tax . . . . .</b>		<b>148.0</b>	<b>(51.0)</b>	<b>(6.0)</b>	<b>91.0</b>
Share of results of associates and joint ventures . . . . .		13.0	—	—	13.0
<b>Profit for the period . . . . .</b>		<b>161.0</b>	<b>(51.0)</b>	<b>(6.0)</b>	<b>104.0</b>
<b>Attributable to:</b>					
Equity holders of TP ICAP plc . . . . .		160.0	(51.0)	(6.0)	103.0
Non-controlling interests . . . . .		1.0	—	—	1.0
		<b>161.0</b>	<b>(51.0)</b>	<b>(6.0)</b>	<b>104.0</b>

### 3.3. Condensed Consolidated Income Statement

Year ended 31 December 2019					
		Underlying	Acquisition, disposal and Integration costs (Note 7) (£ million)	Exceptional Items (Note 7)	Total
	Notes				
Revenue . . . . .	5	1,833.0	—	—	1,833.0
Administrative expenses . . . . .	6	(1,570.0)	(115.0)	(31.0)	(1,716.0)
Other operating income . . . . .	8	16.0	—	9.0	25.0
Operating profit . . . . .	5	279.0	(115.0)	(22.0)	142.0
Finance income . . . . .		6.0	—	—	6.0
Finance costs . . . . .		(55.0)	—	—	(55.0)
Profit before tax . . . . .		230.0	(115.0)	(22.0)	93.0
Taxation . . . . .		(55.0)	15.0	—	(40.0)
Profit after tax . . . . .		175.0	(100.0)	(22.0)	53.0
Share of results of associates and joint ventures . . . . .		15.0	—	—	15.0
Profit for the period . . . . .		190.0	(100.0)	(22.0)	68.0
Attributable to:					
Equity holders of TP ICAP plc . . . . .		189.0	(100.0)	(22.0)	67.0
Non-controlling interests . . . . .		1.0	—	—	1.0
		190.0	(100.0)	(22.0)	68.0

### 3.4. Condensed Consolidated Statement of Comprehensive Income

	Nine months ended 30 September 2020		
	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
	(unaudited)	(unaudited) (£ million)	
<b>Profit for the period</b>	<b>81.0</b>	<b>104.0</b>	<b>68.0</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of defined benefit pension schemes	—	(55.0)	(52.0)
Equity investments at FVTOCI—net change in fair value	(1.0)	1.0	1.0
Taxation relating to items not reclassified	—	19.0	19.0
	<b>(1.0)</b>	<b>(35.0)</b>	<b>(32.0)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Effect of changes in exchange rates on translation of foreign operations	21.0	29.0	(44.0)
Taxation relating to items that may be reclassified	—	1.0	—
	<b>21.0</b>	<b>30.0</b>	<b>(44.0)</b>
<b>Other comprehensive income/(loss) for the period</b>	<b>20.0</b>	<b>(5.0)</b>	<b>(76.0)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>101.0</b>	<b>99.0</b>	<b>(8.0)</b>
<b>Attributable to:</b>			
Equity holders of TP ICAP plc	98.0	98.0	(8.0)
Non-controlling interests	3.0	1.0	—
	<b>101.0</b>	<b>99.0</b>	<b>(8.0)</b>

### 3.5. Condensed Consolidated Balance Sheet

		As at 30 September 2020	
		30 September 2020	31 December 2019
		(unaudited)	
		(£ million)	
Notes			
<b>Non-current assets</b>			
	10	1,501.0	1,511.0
		58.0	61.0
		89.0	72.0
	11	162.0	91.0
		61.0	58.0
		26.0	28.0
		17.0	20.0
		3.0	3.0
	12	24.0	26.0
		<b>1,941.0</b>	<b>1,870.0</b>
<b>Current assets</b>			
	12	70,897.0	49,371.0
	16	164.0	148.0
	16	679.0	676.0
		71,740.8	50,195.0
<b>Total assets</b>		<b>73,681.0</b>	<b>52,065.0</b>
<b>Current liabilities</b>			
		(70,762.0)	(49,305.0)
	13	(91.0)	(11.0)
	14	(26.0)	(23.0)
		(23.0)	(48.0)
	17	(14.0)	(21.0)
		<b>(70,916.0)</b>	<b>(49,408.0)</b>
<b>Net current assets</b>		<b>824.0</b>	<b>787.0</b>
<b>Non-current liabilities</b>			
	13	(679.0)	(678.0)
	14	(190.0)	(117.0)
		(82.0)	(83.0)
	17	(23.0)	(26.0)
		(25.0)	(21.0)
		(2.0)	(2.0)
		<b>(1,001.0)</b>	<b>(927.0)</b>
<b>Total liabilities</b>		<b>(71,917.0)</b>	<b>(50,335.0)</b>
<b>Net assets</b>		<b>1,764.0</b>	<b>1,730.0</b>
<b>Equity</b>			
		141.0	141.0
		17.0	17.0
		1,384.0	1,384.0
		(1,194.0)	(1,205.0)
		1,396.0	1,375.0
<b>Equity attributable to equity holders of the parent</b>		<b>1,744.0</b>	<b>1,712.0</b>
Non-controlling interests		20.0	18.0
<b>Total equity</b>		<b>1,764.0</b>	<b>1,730.0</b>

1. Right-of-use assets and other long-term receivables as at 30 September 2019 have been restated for the adoption of IFRS 16 in 2019.

### 3.6. Condensed Consolidated Statement of Changes in Equity

	Nine months ended 30 September 2020										
	Share capital	Share premium account	Merger reserve	Reverse acquisition reserve	Re-valuation Reserve	Hedging and translation	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
	£ million										
30 September 2020 (unaudited)											
Balance at 1 January 2020	141.0	17.0	1,384	(1,182.0)	5.0	(12.0)	(16.0)	1,375.0	1,712.0	18.0	1,730.0
Profit for the period	—	—	—	—	—	—	—	80.0	80.0	1.0	81.0
Other comprehensive income/(loss) for the period	—	—	—	—	(1.0)	19.0	—	—	18.0	2.0	20.0
Total comprehensive income/(loss) for the period	—	—	—	—	(1.0)	19.0	—	80.0	98.0	3.0	101.0
Dividends paid	—	—	—	—	—	—	—	(63.0)	(63.0)	1.0	(64.0)
Gain on disposal of equity instruments at FVTOCI	—	—	—	—	(1.0)	—	—	1.0	—	—	—
Share settlement of share-based payment awards	—	—	—	—	—	—	3.0	(3.0)	—	—	—
Own shares acquired for employee trusts	—	—	—	—	—	—	(9.0)	—	(9.0)	—	(9.0)
Credit arising on share-based payment awards	—	—	—	—	—	—	—	6.0	6.0	—	6.0
Balance as at 30 September 2020	141.0	17.0	1,384.0	(1,182.0)	3.0	7.0	(22.0)	1,396.0	1,744.0	20.0	1,764.0
Equity attributable to equity holders of the parent											
	Share capital	Share premium account	Merger reserve	Reverse acquisition reserve	Re-valuation Reserve	Hedging and translation	Own shares	Retained earnings	Total	Non-controlling interests	Total equity
	£ million										
31 December 2019											
Balance at 1 January 2019	141.0	17.0	1,384.0	(1,182.0)	4.0	31.0	(11.0)	1,430.0	1,814.0	16.0	1,830.0
Profit for the period	—	—	—	—	—	—	—	67.0	67.0	1.0	68.0
Other comprehensive income/(loss) for the period	—	—	—	—	1.0	(43.0)	—	(33.0)	(75.0)	(1.0)	(76.0)
Total comprehensive income/(loss) for the period	—	—	—	—	1.0	(43.0)	—	34.0	(8.0)	—	(8.0)
Dividends paid	—	—	—	—	—	—	—	(94.0)	(94.0)	(1.0)	(95.0)
Gain on disposal of equity instruments at FVTOCI	—	—	—	—	—	—	2.0	(3.0)	(1.0)	—	(1.0)
Share settlement of share-based payment awards	—	—	—	—	—	—	(7.0)	—	(7.0)	—	(7.0)
Own shares acquired for employee trusts	—	—	—	—	—	—	—	3.0	3.0	3.0	6.0
Credit arising on share-based payment awards	—	—	—	—	—	—	—	5.0	5.0	—	5.0
Balance as at 30 September 2019	141.0	17.0	1,384.0	(1,182.0)	5.0	(12.0)	(16.0)	1,375.0	1,712.0	18.0	1,730.0

### 3.7. Condensed Consolidated Cash Flow Statement

		Nine months ended 30 September 2020		
		Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
	Notes	(unaudited)	(unaudited) (£ million)	
Cash flows from operating activities	15	75.0	26.0	148.0
Investing activities				
Purchase of financial investments		(17.0)	(2.0)	(20.0)
Sale of equity investments at FVTOCI		2.0	1.0	1.0
Purchase of equity investments at FVTOCI		—	(1.0)	(1.0)
Interest received		3.0	4.0	5.0
Dividends from associates and joint ventures		11.0	9.0	10.0
Expenditure on intangible fixed assets		(10.0)	(15.0)	(20.0)
Purchase of property, plant and equipment		(22.0)	(13.0)	(13.0)
Right-of-Use Asset capital expenditure		(2.0)	—	—
Deferred consideration paid		(21.0)	(11.0)	(12.0)
Acquisition consideration paid		(18.0)	—	—
Cash acquired with subsidiaries		2.0	—	—
Investment in associates		(1.0)	(5.0)	(5.0)
Net cash flows from investment activities		(73.0)	(33.0)	(55.0)
Financing activities				
Dividends paid	9	(63.0)	(63.0)	(94.0)
Dividends paid to non-controlling interests		(1.0)	(1.0)	(1.0)
Dividend equivalents paid on share-based awards		—	(1.0)	(1.0)
Sale of equity to non-controlling interests		—	—	6.0
Own shares acquired for employee trusts		(9.0)	(7.0)	(7.0)
Drawdown of revolving credit facility		161.0	39.0	39.0
Repayment of revolving credit facility		(151.0)	(61.0)	(91.0)
Funds received from loans from related parties		72.0	35.0	35.0
Repayment of loans from related parties		—	(38.0)	(38.0)
Gain on derivative financial instruments		—	3.0	3.0
Funds received from issue of Sterling Notes		—	250.0	250.0
Repayment of Sterling Notes		—	(149.0)	(149.0)
Debt issue and bank facility arrangement costs		—	(2.0)	(2.0)
Payment of lease liabilities		(14.0)	(11.0)	(21.0)
Net cash flows from financing activities		(5.0)	(6.0)	(71.0)
Net increase/(decrease) in cash and cash equivalents		(3.0)	(13.0)	22.0
Cash and cash equivalents at the beginning of the period		676.0	667.0	667.0
Effect of foreign exchange rate changes		6.0	13.0	(13.0)
Net cash and cash equivalents at the end of the period	17	679.0	667.0	676.0
Cash and cash equivalents		687.0	700.0	686.0
Overdrafts		(8.0)	(33.0)	(10.0)
Net cash and cash equivalents at the end of the period		679.0	667.0	676.0

## Notes to the Condensed Consolidated Financial Statements

### *Nine months ended 30 September 2020*

#### **1. General information**

The condensed consolidated financial information for the nine months ended 30 September 2020 has been prepared in accordance with the Disclosure and Transparency Rules (**DTR**) of the Financial Conduct Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union (**EU**) except for the omission of separate disclosures of financial information for the three month period commencing 1 July 2020 and ending 30 September 2020. This condensed financial information should be read in conjunction with the statutory Group Financial Statements for the year ended 31 December 2019 which were prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the EU.

The statutory Group Financial Statements for the year ended 31 December 2019 have been reported on by the Company's auditors, Deloitte LLP, and have been delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated financial information for the nine months ended 30 September 2020 has been prepared using accounting policies consistent with IFRS. The interim information, together with the comparative information contained in this report for the year ended 31 December 2019, does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

#### **2. Basis of preparation**

##### **Basis of accounting**

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The Directors have a reasonable expectation that the TP ICAP Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be used in preparing these Condensed Consolidated Financial Statements.

The Condensed Consolidated Financial Statements are rounded to the nearest million pounds (expressed as £ million), except where otherwise indicated.

##### **(a) Basis of consolidation**

The TP ICAP Group's Condensed Consolidated Financial Statements incorporate the financial information of the Company and entities controlled by the Company made up to each reporting period. Under IFRS 10 control is achieved where the Company exercises power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect the returns from the entity.

##### **(b) Presentation of the Income Statement**

The TP ICAP Group maintains a columnar format for the presentation of its Condensed Consolidated Income Statement. The columnar format enables the TP ICAP Group to continue its practice of aiding the understanding of its results by presenting its underlying profit. Underlying profit is reconciled to profit before tax on the face of the Condensed Consolidated Income Statement, which also includes acquisition, disposal and integration costs and exceptional items.

The column acquisition, disposal and integration costs' includes: 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 business combination that do not constitute fees relating to the arrangement of financing; amortisation or impairment of intangible assets arising on consolidation; any re-measurement after initial recognition of contingent consideration which has been classified as a liability, and 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.

Acquisition related integration costs include costs associated with exit or disposal activities, which do not meet the criteria of discontinued operations, including costs for employee and lease terminations, or other exit activities. Additionally, these costs include expenses directly related to integrating and reorganising acquired

businesses and include items such as employee retention costs, recruiting costs, certain moving costs, certain duplicative costs during integration and asset impairments.

Items which are of a non-routine nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the TP ICAP Group's results. These are shown as 'exceptional items' on the face of the Condensed Consolidated Income Statement.

### (c) Accounting policies

Except as described below, the accounting policies applied in these Condensed Consolidated Financial Statements are the same as those applied in the TP ICAP Group's Consolidated Financial Statements as at and for the year ended 31 December 2019.

The following new Standards and Interpretations are effective from 1 January 2020 but they do not have a material effect on the TP ICAP Group's financial statements:

Amendments to IAS 1 and IAS 8: Definition of Material;

Amendments to References to the Conceptual Framework in IFRS Standards;

Amendments to IFRS 3 Business Combinations; and

Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark.

### 3. Related party transactions

The total amount due from related parties as at 30 September 2020 was £4 million (31 December 2019: £3 million) and amounts due to related parties as at 30 September 2020 was £2 million (31 December 2019: £3 million).

In August 2020, the TP ICAP Group entered into a JPY10 billion (£73 million) committed facility with The Tokyo Tanshi Co. Ltd, a related party, that matures in August 2022. Facility commitment fees of 0.64 per cent. on the undrawn balance are payable on the facility. Arrangement fees of less than £1 million are being amortised over the maturity of the facility.

As at 30 September 2020, JPY10 billion (£73 million) of the facility was drawn. Amounts drawn down are reported as loans from related parties in the above table.

### 4. Principal risks and uncertainties

Robust risk management is fundamental to the achievement of the TP ICAP Group's objectives. The TP ICAP Group identifies the risks to which it is exposed as a result of its business objectives, strategy and operating model, and categorises those risks into five 'risk objectives': Financial position, Operational effectiveness and resilience, Regulatory standing, Reputation and Business strategy. The risks identified within each of these categories, along with an explanation of how the TP ICAP Group seeks to manage or mitigate these risk exposures can be found on pages 35 to 39 of the TP ICAP 2019 Annual Report which is available at [www.tpicap.com](http://www.tpicap.com). The Directors do not consider that the principal risks and uncertainties have changed since the publication of the Annual Report for the year ended 31 December 2019. Risks and uncertainties, which could have a material impact on the TP ICAP Group's performance over the remaining nine months of the financial year are discussed in the Interim Management Report.

The outbreak of a novel COVID-19 virus is resulting in governments around the world, including the United Kingdom, being at various stages of managing restrictions regarding the movement of people, leading to widespread disruption and significant market volatility. This has impacted the global financial markets severely. In response, the TP ICAP Group has activated its Business Continuity Planning strategies, which include the introduction of measures to allow a significant proportion of our employees to work remotely, to safeguard their wellbeing and to continue operations and the support of our clients. The full extent of how these conditions will impact the TP ICAP Group is not yet known as there is uncertainty around the duration and severity. The TP ICAP Group has considered the potential impact of COVID-19 in its going concern and goodwill assessments and will continue to monitor these. The TP ICAP Group continues to have access to its undrawn facilities as set out in Note 13.



## 5. Segmental analysis

Products and services from which reportable segments derive their revenues

The TP ICAP Group is organised by geographic reporting segments which are used for the purposes of resource allocation and assessment of segmental performance by TP ICAP Group management. These are the TP ICAP Group's reportable segments under IFRS 8 'Operating Segments'.

Revenue arising in each geographic reportable segment is derived from four business divisions; Global Broking, Energy & Commodities, Institutional Services, and Data & Analytics.

Information regarding the TP ICAP Group's operating segments is reported below:

	Nine months ended 30 September 2020		
	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
	<i>(£ million)</i>		
<b>Revenue</b>			
EMEA . . . . .	677.0	690.0	900.0
Americas . . . . .	519.0	521.0	687.0
Asia Pacific . . . . .	182.0	189.0	246.0
	<b>1,378.0</b>	<b>1,400.0</b>	<b>1,833.0</b>
<b>Operating profit</b>			
EMEA . . . . .	126.0	141.0	164.0
Americas . . . . .	77.0	75.0	94.0
Asia Pacific . . . . .	15.0	18.0	21.0
	<b>218.0</b>	<b>234.0</b>	<b>279.0</b>
<b>Underlying operating profit</b>			
Acquisition, disposal and integration costs (Note 7) . . . . .	(58.0)	(63.0)	(115.0)
Exceptional items (Note 7) . . . . .	(13.0)	(7.0)	(22.0)
	<b>147.0</b>	<b>164.0</b>	<b>142.0</b>
<b>Reported operating profit</b>			
Finance income . . . . .	2.0	4.0	6.0
Finance costs . . . . .	(39.0)	(41.0)	(55.0)
	<b>110.0</b>	<b>127.0</b>	<b>93.0</b>
<b>Profit before tax</b>			
Taxation . . . . .	(42.0)	(36.0)	(40.0)
	<b>68.0</b>	<b>91.0</b>	<b>53.0</b>
<b>Profit of consolidated companies</b>			
Share of results of associates and joint ventures . . . . .	13.0	13.0	15.0
	<b>81.0</b>	<b>104.0</b>	<b>68.0</b>
<b>Profit for the period</b>			

There are no inter-segment sales included in segment revenue.

Nine months ended 30 September 2020			
	Nine months ended 30 September 2020	Nine months ended 30 September 2019 <sup>(1)</sup> (£ million)	Year ended 31 December 2019
<b>Revenue by Business Division</b>			
- Rates . . . . .	399.0	417.0	537.0
- Credit . . . . .	70.0	73.0	94.0
- FX & Money Markets . . . . .	142.0	154.0	201.0
- Emerging Markets . . . . .	144.0	164.0	213.0
- Equities . . . . .	147.0	151.0	199.0
Global Broking . . . . .	902.0	959.0	1,244.0
Energy & Commodities . . . . .	297.0	285.0	379.0
Institutional Services . . . . .	73.0	57.0	75.0
Data & Analytics . . . . .	106.0	99.0	135.0
	<b>1,378.0</b>	<b>1,400.0</b>	<b>1,833.0</b>
<b>Operating Profit</b>			
Global Broking . . . . .	160.0	197.0	221.0
Energy & Commodities . . . . .	39.0	36.0	46.0
Institutional Services . . . . .	8.0	4.0	3.0
Data & Analytics . . . . .	45.0	44.0	59.0
Corporate Centre and other unallocated costs . . . . .	(34.0)	(47.0)	(50.0)
	<b>218.0</b>	<b>234.0</b>	<b>279.0</b>

**Note:**

(1) In 2019, RV broking business was transferred from Global Broking to Institutional Services. September 2019 revenue has been restated to reclassify £23 million from Global Broking to Institutional Services

There are no inter-segment sales included in segment revenue.

Corporate Centre represents the cost of group and central functions that are not allocated to the TP ICAP Group's divisions.

**Other segmental information**

	30 September 2020	31 December 2019
	<i>(£ million)</i>	
<b>Segment assets</b>		
EMEA—UK . . . . .	25,181.0	11,219.0
EMEA—Other . . . . .	403.0	223.0
Americas . . . . .	47,760.0	40,280.0
Asia Pacific . . . . .	337.0	343.0
	<b>73,681.0</b>	<b>52,065.0</b>
<b>Segment liabilities</b>		
EMEA—UK . . . . .	24,091.0	10,161.0
EMEA—Other . . . . .	385.0	208.0
Americas . . . . .	47,250.0	39,782.0
Asia Pacific . . . . .	191.0	184.0
	<b>71,917.0</b>	<b>50,335.0</b>

Segmental assets and liabilities exclude all inter-segment balances.

## 6. Administrative expenses

Administrative expenses comprise:

Nine months ended 30 September 2020						
	Underlying Front Office	Underlying Support	Total Underlying	Acquisition, disposal and integration costs	Exceptional items	Total
	<i>unaudited (\$ million)</i>					
Broker compensation costs . . . . .	687.0	—	687.0	—	—	687.0
Other staff costs . . . . .	17.0	167.0	184.0	—	2.0	186.0
Other share-based payment charge . . . . .	4.0	2.0	6.0	—	—	6.0
Employment costs—divisionally allocated . . . . .	708.0	169.0	877.0	—	2.0	879.0
Unused annual leave . . . . .	4.0	1.0	5.0	—	—	5.0
Employment costs . . . . .	712.0	170.0	882.0	—	2.0	884.0
Technology and related costs . . . . .	73.0	39.0	112.0	—	—	112.0
Premises and related costs . . . . .	—	16.0	16.0	—	2.0	18.0
Amortisation of other intangible assets . . . . .	—	13.0	13.0	—	—	13.0
Depreciation of property, plant and equipment . . . . .	—	10.0	10.0	—	—	10.0
Depreciation of right-of-use assets . . . . .	—	16.0	16.0	—	—	16.0
Amortisation of intangible assets arising on consolidation . . . . .	—	—	—	30.0	—	30.0
Impairment of intangible assets arising on consolidation . . . . .	—	—	—	21.0	—	21.0
Adjustments to deferred consideration . . . . .	—	—	—	2.0	—	2.0
Net charge related to legal settlements . . . . .	—	—	—	—	3.0	3.0
Acquisition Costs . . . . .	—	—	—	5.0	—	5.0
Other administrative costs . . . . .	85.0	35.0	120.0	—	7.0	127.0
	870.0	299.0	1,169.0	58.0	14.0	1,241.0
Impairment loss on trade receivables . . . . .	1.0	—	1.0	—	—	1.0
<b>Total Administrative Expenses . . . . .</b>	<b>871.0</b>	<b>299.0</b>	<b>1,170.0</b>	<b>58.0</b>	<b>14.0</b>	<b>1,242.0</b>
Nine months ended 30 September 2019						
	Underlying Front Office	Underlying Support	Total Underlying	Acquisition, disposal and integration costs	Exceptional items	Total
	<i>unaudited  (£ million)</i>					
Broker compensation costs . . . . .	683.0	—	683.0	—	—	683.0
Other staff costs . . . . .	13.0	163.0	176.0	10.0	3.0	189.0
Other share-based payment charge . . . . .	4.0	1.0	5.0	2.0	—	7.0
Employment costs—divisionally allocated . . . . .	700.0	164.0	864.0	12.0	3.0	879.0
Technology and related costs . . . . .	70.0	27.0	97.0	—	—	97.0
Premises and related costs . . . . .	—	15.0	15.0	—	—	15.0
Amortisation of other intangible assets . . . . .	—	17.0	17.0	1.0	—	18.0
Depreciation of property, plant and equipment . . . . .	—	9.0	9.0	—	—	9.0
Depreciation of right-of-use assets . . . . .	—	15.0	15.0	—	—	15.0
Amortisation of intangible assets arising on consolidation . . . . .	—	—	—	32.0	—	32.0
Adjustments to deferred consideration . . . . .	—	—	—	2.0	—	2.0
Net charge related to legal settlements . . . . .	—	—	—	—	3.0	3.0
Other administrative costs . . . . .	102.0	56.0	158.0	16.0	1.0	175.0
	872.0	303.0	1,175.0	63.0	7.0	1,245.0
Impairment loss on trade receivables . . . . .	1.0	—	1.0	—	—	1.0
	<b>873.0</b>	<b>303.0</b>	<b>1,176.0</b>	<b>63.0</b>	<b>7.0</b>	<b>1,246.0</b>

Year ended 31 December 2019						
	Underlying Front Office	Underlying Support	Total Underlying	Acquisition, disposal and integration costs	Exceptional items	Total
			<i>unaudited (£ million)</i>			
Broker compensation costs . . . . .	900.0	—	900.0	—	—	900.0
Other staff costs . . . . .	19.0	209.0	228.0	18.0	2.0	248.0
Other share-based payment charge/(credit) . . .	—	6.0	6.0	(1.0)	—	5.0
Charge relating to employee long-term benefits . . . . .	—	—	—	—	1.0	1.0
Employment costs—divisionally allocated . . .	919.0	215.0	1,134.0	17.0	3.0	1,154.0
Technology and related costs . . . . .	99.0	59.0	158.0	—	—	158.0
Premises and related costs . . . . .	—	26.0	26.0	—	1.0	27.0
Amortisation of other intangible assets . . . . .	1.0	22.0	23.0	4.0	—	27.0
Depreciation of property, plant and equipment	1.0	12.0	13.0	—	—	13.0
Depreciation of right-of-use assets . . . . .	—	20.0	20.0	—	1.0	21.0
Amortisation of intangible assets arising on consolidation . . . . .	—	—	—	42.0	—	42.0
Impairment of intangible assets arising on consolidation . . . . .	—	—	—	24.0	—	24.0
Adjustments to deferred consideration . . . . .	—	—	—	6.0	—	6.0
Adjustments to provisions and contingent liabilities acquired . . . . .	—	—	—	3.0	—	3.0
Charge relating to legal and regulatory settlements . . . . .	—	—	—	—	18.0	18.0
Pension scheme past service and settlement costs . . . . .	—	—	—	—	4.0	4.0
Acquisition costs . . . . .	—	—	—	2.0	—	2.0
Other administrative costs . . . . .	119.0	77.0	196.0	17.0	4.0	217.0
	1,139.0	431.0	1,570.0	115.0	31.0	1,716.0
Impairment loss on trade receivables . . . . .	—	—	—	—	—	—
	<b>1,139.0</b>	<b>431.0</b>	<b>1,570.0</b>	<b>115.0</b>	<b>31.0</b>	<b>1,716.0</b>

## 7. Acquisition, disposal and integration costs, and Exceptional items

Acquisition, disposal and integration costs comprise:

	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
		<i>(£ million)</i>	
Employee related costs	—	10.0	16.0
Share-based payment charge/(credit) . . . . .	—	2.0	(1.0)
Premises, equipment and other intangible assets . . .	—	—	—
Amortisation of other intangible assets . . . . .	—	1.0	4.0
Other administrative costs . . . . .	—	13.0	15.0
	—	26.0	34.0
<b>Acquisition and disposal costs</b>			
- Acquisition costs . . . . .	5.0	—	6.0
- Amortisation of intangible assets arising on consolidation . . . . .	30.0	32.0	42.0
- Impairment of intangible assets arising on consolidation . . . . .	21.0	—	24.0
- Adjustments to deferred consideration . . . . .	2.0	2.0	6.0
- Adjustments to provisions and contingent liabilities acquired . . . . .	—	3.0	3.0
	58.0	63.0	115.0
Taxation . . . . .	(3.0)	(12.0)	(15.0)
	<b>55.0</b>	<b>51.0</b>	<b>100.0</b>

Exceptional items comprise:

	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
	<i>(£ million)</i>		
<b>Exceptional items</b>			
- Charge relating to business reorganisation . . . . .	11.0	4.0	7.0
- Pension scheme past service and settlement costs . . . . .	—	—	4.0
- Charge relating to employee long-term benefits . . . . .	—	—	1.0
- Net charge relating to legal costs . . . . .	3.0	3.0	1.0
- Charge relating to legal and regulatory settlements . . . . .	—	—	18.0
	<b>14.0</b>	<b>7.0</b>	<b>31.0</b>
- Employment related legal settlement and other receipts . . . . .	(1.0)	—	(9.0)
	<b>13.0</b>	<b>7.0</b>	<b>22.0</b>
Taxation . . . . .	—	(1.0)	—
	<b>13.0</b>	<b>6.0</b>	<b>22.0</b>

## 8. Other operating income

Other operating income comprises:

	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
	<i>(£ million)</i>		
<b>Business relocation</b>	2.0	2.0	3.0
Employment support grants . . . . .	3.0	—	—
Employee related insurance receipts . . . . .	1.0	1.0	2.0
Management fees from associates . . . . .	1.0	1.0	1.0
Other receipts . . . . .	3.0	6.0	10.0
	<b>10.0</b>	<b>10.0</b>	<b>16.0</b>

## 9. Dividends

	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Year ended 31 December 2019
	<i>(£ million)</i>		
<b>Amounts recognised as distributions to equity holders in the period:</b>			
Final dividend for the year ended 31 December 2019 of 11.25p per share . . . . .	63.0	—	—
Interim dividend for the year ended 31 December 2019 of 5.6p per share . . . . .	—	—	31.0
Final dividend for the year ended 31 December 2018 of 11.25p per share . . . . .	—	63.0	63.0
	<b>63.0</b>	<b>63.0</b>	<b>94.0</b>

An interim dividend of 5.6p per share will be paid on 6 November 2020 to all shareholders on the Register of Members on 2 October 2020.

As at 30 September 2020 the TP ICAP Employee Benefit Trust held 6,639,185 ordinary shares (31 December 2019 and 30 September 2019: 4,535,504 ordinary shares) and has waived its rights to dividends.

## 10. Intangible assets arising on consolidation

	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
	<i>(£ million)</i>		
<b>As at 1 January 2020</b>	993.0	518.0	1,511.0
Additions	20.0	10.0	30.0
Amortisation of acquisition related intangibles	—	(30)	(30)
Impairment of acquisition related intangibles	(21.0)	—	(21.0)
Effect of movements in exchange rates	6.0	5.0	11.0
<b>As at 30 September 2020</b>	<b>998.0</b>	<b>503.0</b>	<b>1,501.0</b>

Other intangible assets as at 30 September 2020 represent customer relationships of £497 million (31 December 2019: £506 million), business brands and trademarks of £6 million (31 December 2019: £10 million), and other intangibles of nil (31 December 2019: £2 million) that arise through business combinations. Customer relationships are being amortised between ten and twenty years.

Goodwill arising through business combinations is allocated to groups of individual CGUs, reflecting the lowest level at which the TP ICAP Group monitors and tests goodwill for impairment purposes. The CGU groupings are as follows:

	<u>30 September 2020</u>	<u>31 December 2019</u>
	<i>(£ million)</i>	
<b>CGU</b>		
EMEA	680.0	663.0
Americas	267.0	262.0
Asia Pacific	51.0	68.0
<b>Goodwill allocated to CGUs</b>	<b>998.0</b>	<b>993.0</b>

During the period the TP ICAP Group has undertaken an impairment assessment of its CGUs to which goodwill has been allocated, triggered as a result of changes in expected CGU cash flows. Determining whether goodwill is impaired requires an estimation of the recoverable amount of each group of CGUs. The recoverable amount is the higher of its value in use (VIU) or its FVLCD. VIU is a pre-tax valuation, using pre-tax cash flows and pre-tax discount rates which is compared to the pre-tax carrying value of the CGU, whereas FVLCD is a post-tax valuation, using post-tax cash flows, post-tax discount rates and other post-tax observable valuation inputs, which is compared to a post-tax carrying value of the CGU. The CGU's recoverable amount is compared to its carrying value to determine if an impairment is required.

The recoverable amount for each CGU has been based on their VIU. The key assumptions for the VIU calculations are those regarding expected cash flows arising in future periods, regional growth rates and the discount rates. Future projections are based on the most recent financial projections considered by the Board which are used to project pre-tax cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU. Growth rates on underlying revenues were 1.8% (2019: 2.1%) for EMEA, 1.0% (2019: 1.6%) for the Americas and 1.5% (2019: 1.2%) for Asia Pacific over the five year projected period, with pre-tax discount rates of 11.0% (2019: 11.0%) for EMEA, 13.4% (2019: 13.6%) for Americas and 11.8% (2019: 11.6%) for Asia Pacific. As at 30 June 2020, the recoverable amount for the Asia Pacific CGU was estimated to be lower than its carrying value by £21 million and had been impaired by this amount.

As at 30 September 2020 the Asia Pacific CGU remains sensitive to reasonably possible changes in the VIU assumptions. Further impairment of the Asia Pacific CGU would be required if there are changes in the applicable assumptions. A reduction in the growth rate over the period by 0.5% would result in a reduction in the value of the CGU by £25 million and a 1% increase in the discount rate would reduce the value of the CGU by £13 million. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances.

## 11. Right-of-use assets

	Land and buildings	Furniture, fixtures, equipment and motor vehicles (£ million)	Total
<b>As at 1 January 2020</b>	90.0	1.0	91.0
Additions . . . . .	82.0	—	82.0
Modifications . . . . .	8.0	—	8.0
Capitalised cost . . . . .	(3.0)	—	(3.0)
Depreciation . . . . .	(16.0)	—	(16.0)
Impairment . . . . .	(1.0)	—	(1.0)
Effect of movements in exchange rates . . . . .	1.0	—	1.0
<b>As at 30 September 2020</b>	<b>161.0</b>	<b>1.0</b>	<b>162.0</b>

The TP ICAP Group leases several buildings which have an average lease terms of 11 years (2019: 10 years).

Additions and modifications to right-of-use assets were £90 million, £77 million of which is for new leases for the TP ICAP Group's London based headquarters and broking operations. Under an agreement with the landlord, two existing London property leases will be terminated once the TP ICAP Group has moved its operations to several floors in the newly leased building. The new leases commenced in January and June 2020 at a weighted average incremental borrowing rate of 5.32% and the leased space will be further developed during 2020 enabling the transfer of operations during the first quarter of 2021. During the development phase of these leased spaces the depreciation and lease interest expense is being capitalised as a direct cost of the leasehold improvements being undertaken. During the period to 30 September 2020 £5 million has been capitalised.

## 12. Trade and other receivables

	30 September 2020	31 December 2019
	<i>£million</i>	
<b>Non-current receivables</b>		
Finance lease receivables . . . . .	5.0	7.0
Other receivables . . . . .	19.0	19.0
	<b>24.0</b>	<b>26.0</b>
<b>Current receivables</b>		
Settlement balances . . . . .	69,690.0	48,295.0
Deposits paid for securities borrowed . . . . .	779.0	652.0
Trade receivables . . . . .	300.0	301.0
Finance lease receivables . . . . .	1.0	1.0
Derivatives at FVTPL . . . . .	1.0	—
Financial assets . . . . .	70,771.0	49,249.0
Other debtors . . . . .	18.0	17.0
Prepayments . . . . .	94.0	91.0
Accrued income . . . . .	9.0	10.0
Corporation tax . . . . .	1.0	1.0
Owed by associates and joint ventures . . . . .	4.0	3.0
	<b>70,897.0</b>	<b>49,371.0</b>

(1) Right-of-use assets and other long-term receivables as at 30 June 2019 have been restated for the adoption of IFRS 16 in 2019.

Settlement balances arise on Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs payment basis (DVP) and typically take place within a few business days of the transaction date according to the relevant market rules and conventions. The amounts due from and payable to counterparties in respect of as yet unsettled Matched Principal transactions are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously. The above analysis reflects only the receivable side of such transactions. Corresponding payable amounts are shown in 'Trade and other payables'. The TP ICAP Group measures loss allowances for settlement balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of underlying instruments, that could arise as a result of default.

Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The above analysis reflects the receivable side of such transactions. Corresponding deposits received for securities loaned are shown in 'Trade and other payables'. The TP ICAP Group measures loss allowances for these balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of collateral, that could arise as a result of default.

The TP ICAP Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

### 13. Interest bearing loans and borrowings

	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
		(£ million)	
<b>30 September 2020</b>			
Bank loan . . . . .	10.0	—	10.0
Loans from related party . . . . .	73.0	—	73.0
Sterling Notes January 2024 . . . . .	4.0	430.0	434.0
Sterling Notes May 2026 . . . . .	4.0	249.0	253.0
	<u>91.0</u>	<u>679.0</u>	<u>770.0</u>
<b>31 December 2019</b>			
Sterling Notes January 2024 . . . . .	10.0	430.0	440.0
Sterling Notes May 2026 . . . . .	1.0	248.0	249.0
	<u>11.0</u>	<u>678.0</u>	<u>689.0</u>

All amounts are stated after unamortised transaction costs.

#### *Bank credit facilities and bank loan*

The TP ICAP Group has a £270 million committed revolving facility that matures in December 2022. Facility commitment fees of 0.8% on the undrawn balance are payable on the facility. Arrangement fees of £3 million are being amortised over the maturity of the facility.

As at 30 September 2020, £10 million of the revolving credit facility was drawn. Amounts drawn down are reported as bank loans in the above table. Bank loans are denominated in sterling.

Interest and facility fees of £2 million were incurred in the nine months to 30 September 2020. Interest and facility fees of £2 million were incurred in the nine months to 30 September 2019.

#### *Loans from related party*

The total amount due from related parties as at 30 September 2020 was £4 million (31 December 2019: £3 million) and amounts due to related parties as at 30 September 2020 was £2 million (31 December 2019: £3 million).

In August 2020, the TP ICAP Group entered into a JPY10 billion (£73 million) committed facility with The Tokyo Tanshi Co., Ltd, a related party, that matures in August 2022. Facility commitment fees of 0.64 per cent. on the undrawn balance are payable on the facility. Arrangement fees of less than £1 million are being amortised over the maturity of the facility.

As at 30 September 2020, JPY10 billion (£73 million) of the facility was drawn. Amounts drawn down are reported as loans from related parties in the above table. Interest and facility fees of less than a million were incurred in the nine months to 30 September 2020.

#### *Sterling Notes: Due January 2024*

In January 2017 the TP ICAP Group issued £500 million unsecured Sterling Notes due January 2024. The Notes have a fixed coupon of 5.25% payable semi-annually, subject to compliance with the terms of the Notes. In May 2019, the TP ICAP Group repurchased £69 million of the Notes. Accrued interest at 30 September 2020 amounted to £4m. Unamortised issue costs were £1m.



Interest of £17 million was incurred in the nine months to 30 September 2020. Interest of £18 million was incurred in the nine months to 30 September 2019. Issue costs amortised in each nine month period to 30 September 2020 and 30 September 2019 were less than £1 million.

*Sterling Notes: Due May 2026*

In May 2019 the TP ICAP Group issued £250 million unsecured Sterling Notes due May 2026. The Notes have a fixed coupon of 5.25% paid semi-annually, subject to compliance with the terms of the Notes. Accrued interest at 30 September 2020 was £4 million. Unamortised issue costs were £1 million.

Interest of £10 million was incurred in the nine months to 30 September 2020. Interest of £5 million was incurred in the nine months to 30 September 2019. Issue costs amortised in each nine month period to 30 September 2020 and 30 September 2019 were less than £1 million.

#### 14. Lease liabilities

The maturity analysis of lease liabilities is as follows:

	30 September 2020	31 December 2019
	<i>£(million)</i>	
Year 1 . . . . .	39.0	33.0
Year 2 . . . . .	33.0	25.0
Year 3 . . . . .	31.0	21.0
Year 4 . . . . .	26.0	20.0
Year 5 . . . . .	24.0	15.0
Onwards . . . . .	156.0	91.0
	<hr/> 309.0	<hr/> 205.0
Less interest . . . . .	(93.0)	(65.0)
	<hr/> 216.0	<hr/> 140.0
Included in current liabilities . . . . .	26.0	23.0
Included in non-current liabilities . . . . .	190.0	117.0
	<hr/> 216.0	<hr/> 140.0

## 15. Reconciliation of operating result to net cash from operating activities

	Nine months ended 30 September 2020	Nine months ended 30 September 2019 (£ million)	Year ended 31 December 2019
<b>Operating profit</b>	<b>147.0</b>	<b>164.0</b>	<b>142.0</b>
Adjustments for:			
– Share-based payment charge	6.0	7.0	5.0
– Pension scheme's administration costs	1.0	—	4.0
– Depreciation of property, plant and equipment	10.0	9.0	13.0
– Depreciation of right-of-use assets	16.0	15.0	21.0
– Amortisation of intangible assets	13.0	18.0	27.0
– Amortisation of intangible assets arising on consolidation	30.0	32.0	42.0
– Impairment of intangible assets arising on consolidation	21.0	—	24.0
– Loss on disposal of property, plant and equipment	—	—	1.0
– Impairment of right-of-use assets	1.0	—	—
– Impairment of finance lease receivables	1.0	—	—
– Remeasurement of deferred consideration	2.0	2.0	6.0
– Revaluation of debt instruments	1.0	—	—
– Non-cash movement in FVTPL balances	(1.0)	—	—
<b>Operating cash flows before movement in working capital</b>	<b>248.0</b>	<b>247.0</b>	<b>285.0</b>
Increase/(decrease) in trade and other receivables	15.0	(57.0)	(24.0)
(Increase)/decrease in net settlement and trading balances	—	(44.0)	8.0
(Decrease)/increase in trade and other payables	(66.0)	(23.0)	4.0
Decrease in provisions	(10.0)	(5.0)	(5.0)
Increase in non-current liabilities	—	(1.0)	(2.0)
Retirement benefit scheme contributions	(1.0)	—	(1.0)
<b>Cash generated from operations</b>	<b>186.0</b>	<b>117.0</b>	<b>265.0</b>
Income taxes paid	(69.0)	(48.0)	(64.0)
Interest paid	(31.0)	(34.0)	(41.0)
Interest paid—finance leases	(11.0)	(9.0)	(12.0)
<b>Net cash from operating activities</b>	<b>75.0</b>	<b>26.0</b>	<b>148.0</b>

## 16. Analysis of net funds

	1 January 2020	Cash flow	Non-cash items (£ million)	Exchange differences	30 September 2020
Cash	678.0	(3.0)	—	6.0	681.0
Cash equivalents	8.0	(2.0)	—	—	6.0
Overdrafts	(10.0)	2.0	—	—	(8.0)
<b>Cash and cash equivalents</b>	<b>676.0</b>	<b>(3.0)</b>	<b>—</b>	<b>6.0</b>	<b>679.0</b>
Financial investments	148.0	17.0	—	(1.0)	164.0
<b>Total funds</b>	<b>824.0</b>	<b>14.0</b>	<b>—</b>	<b>5.0</b>	<b>843.0</b>
Bank loan due within one year	—	(10.0)	—	—	(10.0)
Loans from related party	—	(72.0)	—	(1.0)	(73.0)
Sterling Notes January 2024	(440.0)	23.0	(17.0)	—	(434.0)
Sterling Notes May 2026	(249.0)	7.0	(11.0)	—	(253.0)
Lease liabilities	(140.0)	25.0	(99.0)	(2.0)	(216.0)
	<b>(829.0)</b>	<b>(27.0)</b>	<b>(127.0)</b>	<b>(3.0)</b>	<b>(986.0)</b>
<b>Total net (debt)/funds</b>	<b>(5.0)</b>	<b>(13.0)</b>	<b>(127.0)</b>	<b>2.0</b>	<b>(143.0)</b>

(1) Principal changes plus payment of interest and debt issue costs where applicable

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending

on the immediate cash requirements of the TP ICAP Group, and earn interest at the respective short term deposit rates.

Financial investments comprise government debt securities, term deposits and restricted funds held with banks and clearing organisations.

Non-cash items represent additions to lease liabilities, accrued interest and the amortisation of debt issue.

## 17. Provisions

	Property	Restructuring	Legal and other	Total
		(£ million)		
<b>At 1 January 2020</b>	<b>6.0</b>	<b>8.0</b>	<b>33.0</b>	<b>47.0</b>
Credit to income statement	—	—	(1.0)	(1.0)
Utilisation of provisions	(1.0)	(5.0)	(3.0)	(9.0)
Effect of movements in exchange rates	—	—	—	—
<b>At 30 September 2020</b>	<b>5.0</b>	<b>3.0</b>	<b>29.0</b>	<b>37.0</b>
Included in current liabilities				14.0
Included in non-current liabilities				23.0
				<b>37.0</b>

Property provisions outstanding as at 30 September 2020 relate to provisions in respect of building dilapidations, represents the estimated cost of making good dilapidations and disrepair on various leasehold buildings. Property leases expire in one to 14 years.

Restructuring provisions outstanding as at 30 September 2020 relate to termination and other employee related costs. The movements during the period reflects the actions taken under the TP ICAP Group's integration of ICAP and other business reorganisations. It is expected that these obligations will continue to be discharged during 2020.

Legal and other provisions include provisions for legal claims brought against subsidiaries of the TP ICAP Group together with provisions against obligations for certain long-term employee benefits and non-property related onerous contracts. At present the timing and amount of any payments are uncertain and provisions are subject to regular review. It is expected that the obligations will be discharged over the next 24 years.

## European Commission Yen Libor

In February 2015 the European Commission imposed a fine of £13 million (€15 million) on NEX International Limited (formerly ICAP plc), ICAP Management Services Limited and ICAP New Zealand Limited for alleged competition violations in relation to the involvement of certain of ICAP's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Whilst this matter relates to alleged conduct violations prior to completion of the TP ICAP Group's acquisition of the ICAP global broking business, it is noted that the fine imposed by the European Commission has been appealed, seeking a full annulment of the Commission's decision. In the event that the Commission imposes a fine in excess of €15 million such excess will be borne by NEX Group plc (NEX). In November 2017, the European General Court granted a partial annulment of the Commission's findings. The Commission appealed this decision in February 2018 and the TP ICAP Group served its reply during April 2018. A decision from the Courts of Justice of the European Union was received on 10 July 2019 which determined that the decision of the European Commission in relation to the competition violations stood but the decision of the European Commission imposing the fine was annulled. The European Commission is likely to adopt new articles in relation to a fine however and the TP ICAP Group initially retained a €10 million (£9 million) provision in its accounts in connection with this matter. Based on the latest review, the TP ICAP Group updated the provision to €6.5 million (£5.8 million) in December 2020.

## IFUS

On 11 May 2020, Tullett Prebon (Europe) Ltd (TPE) received notice of the instigation of disciplinary proceedings by ICE Futures U.S. (IFUS) relating to activities undertaken between March 2018 and September 2019. Following engagement and consultation with IFUS, TPE agreed a settlement with IFUS dated 13 August 2020 under which TPE agreed to pay a fine of less than USD 1 million (less than £1 million) in respect of failures of block trades, general record requirements, order ticket requirements, minimum quantity requirements, disclosure of customer identity and failure to supervise. As part of that agreement TPE agreed to

enhance its compliance manual, take reasonable proactive and appropriate measures to be in compliance with Exchange Rules, conduct training covering Exchange Rules and require all TPE brokers to acknowledge receipt and understanding of such training and to cooperate with periodic audits of TPE compliance in connection with Exchange Rules.

## **18. Contingent liabilities**

### **Bank Bill Swap Reference Rate case**

On 16 August 2016, a complaint was filed in the United States District Court for the Southern District of New York naming Tullett Prebon plc, ICAP plc, ICAP Australia Pty LTD and Tullett Prebon (Australia) Pty. Limited as defendants together with various Bank Bill Swap Reference Rate (**BBSW**) setting banks. The complaint alleges collusion by the defendants to fix BBSW-based derivatives prices through manipulative trading during the fixing window and false BBSW rate submissions. On 26 November 2018, the Court dismissed all of the claims against the TP ICAP defendants and certain other defendants. On 28 January 2019, the Court ordered that a stipulation signed by the plaintiffs and the TP ICAP defendants meant that the TP ICAP defendants were not required to respond to any Proposed Second Amended Class Action Complaint (**PSAC**) that the plaintiffs were seeking to file. On 3 April 2019 the plaintiffs filed a PSAC, however the TP ICAP defendants have no obligation to respond. The plaintiffs have reserved the right to appeal the dismissal of the TP ICAP defendants but have not as yet done so. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact.

### **Labour claims—ICAP Brazil**

ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda (**ICAP Brazil**) is a defendant in 11 (31 December 2019: 13) pending lawsuits filed in the Brazilian Labour Court by persons formerly associated with ICAP Brazil seeking damages under various statutory labour rights accorded to employees and in relation to various other claims including wrongful termination, breach of contract and harassment (together the **Labour Claims**). The TP ICAP Group estimates the maximum potential aggregate exposure in relation to the Labour Claims, including any potential social security tax liability, to be BRL60 million (£8 million) (31 December 2019: BRL49 million (£11 million)). The TP ICAP Group is the beneficiary of an indemnity from NEX in relation to any liabilities in respect of seven of the eleven Labour Claims insofar as they relate to periods prior to completion of the TP ICAP Group's acquisition of ICAP. This includes a claim that is indemnified by a predecessor to ICAP Brazil by way of escrowed funds in the amount of BRL24.5 million (£3 million). The Labour Claims are at various stages of their respective proceedings and are pending an initial witness hearing, the court's decision on appeal or a ruling on a motion for clarification. The TP ICAP Group intends to contest liability in each of these matters and to vigorously defend itself. It is not possible to predict the ultimate outcome of these actions.

### **Flow case—Tullett Prebon Brazil**

In December 2012, Flow Participações Ltda and Brasil Plural Corretora de Câmbio, Títulos e Valores (**Flow**) initiated a lawsuit against Tullett Prebon Brasil S.A. Corretora de Valores e Câmbio and Tullett Prebon Holdings do Brasil Ltda alleging that the defendants have committed a series of unfair competition misconducts, such as the recruitment of Flow's former employees, the illegal obtainment and use of systems and software developed by the plaintiffs, as well as the transfer of technology and confidential information from Flow and the collusion to do so in order to increase profits from economic activities. The amount currently claimed is BRL257 million (£35 million) (31 December 2019: BRL243 million (£44 million)). The TP ICAP Group intends to vigorously defend itself but there is no certainty as to the outcome of these claims. The case is currently in an early evidentiary phase.

### **LIBOR Class actions**

#### **(i) Stichting LIBOR Class Action**

On 15 December 2017, the Stichting Elco Foundation, a Netherlands-based claim foundation, filed a writ initiating litigation in the Dutch court in Amsterdam on behalf of institutional investors against ICAP Europe Limited (**IEL**), ICAP plc, Cooperative Rabobank U.A., UBS AG, UBS Securities Japan Co. Ltd, Lloyds Banking Group plc, and Lloyds Bank plc. The litigation alleges manipulation by the defendants of the JPY LIBOR, GBP LIBOR, CHF LIBOR, USD LIBOR, EURIBOR, TIBOR, SOR, BBSW and HIBOR benchmark rates, and seeks a declaratory judgment that the defendants acted unlawfully and conspired to engage in improper manipulation of benchmarks. If the plaintiffs succeed in the action, the defendants would be

responsible for paying costs of the litigation, but each allegedly impacted investor would need to prove its own actual damages. It is not possible at this time to determine the final outcome of this litigation, but IEL has factual and legal defences to the claims and intends to defend the lawsuit vigorously. A hearing took place on 18 June 2019 on the defendants' motions to dismiss the proceedings. On 14 August 2019 the Dutch Court issued a ruling dismissing ICAP plc from the case entirely but keeping certain claims against IEL relating solely to JPY LIBOR. On 9 December 2020, the Dutch Court issued a final judgment dismissing the Foundation's claims in their entirety. The Foundation has until 9 March 2021 to appeal this final judgment. The TP ICAP Group is covered by an indemnity from NEX in relation to any outflow in respect of the ICAP entities with regard to these matters. It is not possible to estimate any potential financial impact in respect of this matter at this time.

#### (ii) Swiss LIBOR Class Action

On 4 December 2017, a class of plaintiffs filed a Second Amended Class Action Complaint in the matter of Sonterra Capital Master Fund Ltd. et al. v. Credit Suisse Group AG et al. naming as defendants, among others, TP ICAP, Tullett Prebon Americas Corp., Tullett Prebon (USA) Inc., Tullett Prebon Financial Services LLC, Tullett Prebon (Europe) Limited, Cosmorex AG, ICAP Europe Limited, and ICAP Securities USA LLC (together, the **Companies**). The Second Amended Complaint generally alleges that the Companies conspired with certain bank customers to manipulate Swiss Franc LIBOR and prices of Swiss Franc LIBOR based derivatives by disseminating false pricing information in false run-throughs and false prices published on screens viewed by customers in violation of the Sherman Act (anti-trust) and RICO. On 16 September 2019, the Court granted the Companies' motions to dismiss in their entirety. The plaintiffs have appealed the dismissal to the United States Court of Appeals for the Second Circuit. The Companies intend to contest liability in the matter and to vigorously defend themselves. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact.

#### (iii) Yen LIBOR Class Actions

In April 2013, ICAP plc was added as a defendant to an existing civil litigation originally filed in April 2012, Laydon v. Mizuho Bank, Ltd, against certain Yen LIBOR and Euroyen TIBOR panel banks alleging purported manipulation of the Yen LIBOR and Euroyen TIBOR benchmark interest rates. The United States District Court for the Southern District of New York dismissed the plaintiff's antitrust and unjust enrichment claims, but upheld the plaintiff's claim for purported manipulation under the Commodity Exchange Act. ICAP plc and certain other foreign defendants were dismissed in March 2015 for lack of personal jurisdiction. The Court permitted plaintiffs to file an amended complaint whereby they added new defendants to the action including ICAP Europe Limited and Tullett Prebon plc. On 10 March 2017, both ICAP Europe Limited and Tullett Prebon plc were dismissed for lack of personal jurisdiction. On 23 October 2020, the plaintiffs served their formal notice of intent to appeal the dismissal of the TP ICAP defendants. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact. The TP ICAP Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters.

Other plaintiffs filed a related complaint, Sonterra Capital Master Fund, Ltd. v. UBS AG, which included ICAP plc, ICAP Europe Limited and Tullett Prebon plc as defendants, asserting a cause of action for antitrust injury only as a result of the purported manipulation of Yen LIBOR and Euroyen TIBOR by panel banks and brokers. Defendants filed motions to dismiss for lack of jurisdiction and failure to state a claim. On 10 March 2017, the Court issued an order dismissing the entirety of the Sonterra case on the grounds that the plaintiffs lacked antitrust standing. Plaintiffs appealed the dismissal, which was then stayed to accommodate new settlements reached between the plaintiffs and some of the defendants. The briefing on the appeal was completed on 28 January 2019 and oral argument was heard on 5 February 2020. On 1 April 2020, the Second Circuit Court of appeals reversed and remanded the dismissal. In October 2020, the Company filed a renewed motion to dismiss on grounds that were not reached in the original decision to dismiss including but not limited to lack of personal jurisdiction. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact. The TP ICAP Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters.

#### **ICAP Securities Limited, Frankfurt branch—Frankfurt Attorney General administrative proceedings**

ICAP Securities Limited, Frankfurt branch (**ISL**) received a letter dated 19 December 2018 from the Attorney General's office in Frankfurt notifying ISL it had commenced administrative proceedings against ISL and criminal proceedings against former employees of ISL, in respect of aiding and abetting tax evasion by Rafael

Roth Financial Enterprises GmbH (**RRFE**). It is possible that a corporate administrative fine may be imposed on ISL and earnings derived from the criminal offence confiscated. ISL has appointed external counsel and is in the process of investigating the activities of the desk from 2006 to 2009. This investigation is complicated as the majority of records are held by NEX. The TP ICAP Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. It is not possible at this stage to provide an estimate of any potential financial impact on the TP ICAP Group.

#### **ICAP Securities Limited and The Link Asset and Securities Company Limited—Proceedings by the Cologne Public Prosecutor**

On 11 May 2020, TP ICAP learned that proceedings have been commenced by the Cologne Public prosecutor against ICAP Securities Limited (**ISL**) and The Link Asset and Securities Company Ltd (**Link**) in connection with criminal investigations into individuals suspected of aiding and abetting tax evasion between 2004 and 2012. It is possible that the Cologne Public Prosecutor may seek to impose an administrative fine against ISL or Link or confiscate the earnings that ISL or Link allegedly derived from the underlying alleged criminal conduct by the relevant individuals. ISL and Link have appointed external lawyers to advise them. The TP ICAP Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. Since the proceedings are at an early stage, details of the alleged wrongdoing or case against ISL and Link are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the TP ICAP Group.

#### **Autorité des Marchés Financiers (AMF)**

In August 2019, Tullett Prebon (Europe) Limited was notified that the AMF was investigating alleged facilitation of market abuse conduct concerning historical transactions with a client undertaken in 2015 on Eurex. In June 2020, the AMF initiated enforcement proceedings before the Enforcement Committee of the AMF. TPEL has responded to the AMF's letter of grievance and is waiting to hear further.

#### **General note**

The TP ICAP Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of complex regulatory, corporate and tax laws and practices of those territories. Accordingly, and as part of its normal course of business, the TP ICAP Group is required to provide information to various authorities as part of informal and formal enquiries or market review.

From time to time, the TP ICAP Group's subsidiaries are engaged in litigation in relation to a variety of matters. The TP ICAP 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.

Save as outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the TP ICAP Group's results or net assets.

The TP ICAP Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of complex tax laws and practices of those territories. The TP ICAP Group establishes provisions for taxes other than current and deferred income taxes, based upon various factors which are continually evaluated, if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

## 19. Allocation of other comprehensive income within Equity

	Equity attributable to equity holders of the parent						
	Re-valuation reserve	Hedgi-ng and trans-lation	Own shares	Retained earnings	Total	Non- Control-ing interests	Total equity
				<i>£million</i>			
<b>Nine months ended</b>							
<b>30 September 2020</b>							
<i>(unaudited)</i>							
Equity investments at							
FVTOCI—net change in fair value	(1.0)	—	—	—	(1.0)	—	(1.0)
Effect of changes in exchange							
rates on translation of foreign							
operations . . . . .	—	19.0	—	—	19.0	2.0	21.0
Taxation on components of other							
comprehensive income . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other comprehensive (loss)/income							
for the period . . . . .	<b>(1.0)</b>	<b>19.0</b>	—	—	<b>18.0</b>	<b>2.0</b>	<b>20.0</b>
<b>Year ended 31 December 2019</b>							
Equity investments at							
FVTOCI—net change in fair value	1.0	—	—	—	1.0	—	1.0
Effect of changes in exchange							
rates on translation of foreign							
operations . . . . .	—	(43.0)	—	—	(43.0)	(1.0)	(44.0)
Remeasurement of the defined							
benefit pension scheme . . . . .	—	—	—	(52.0)	(52.0)	—	(52.0)
Taxation on components of other							
comprehensive income . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>19.0</u>	<u>19.0</u>	<u>—</u>	<u>19.0</u>
Other comprehensive income/(loss)							
for the year . . . . .	<b>1.0</b>	<b>(43.0)</b>	—	<b>(33.0)</b>	<b>(75.0)</b>	<b>(1.0)</b>	<b>(76.0)</b>

## 20 Financial instruments

### Categorisation of financial assets and liabilities

<u>Financial Assets</u>	<u>FVTOCI debt instruments</u> (£ million)	<u>FVTOCI equity instruments</u> (£ million)	<u>Amortised cost</u> (£ million)	<u>Mandatorily at FVTPL</u> (£ million)	<u>Total carrying amount</u> (£ million)
<b>30 September 2020 (unaudited)</b>					
<b>Non-current financial assets measured at fair value</b>					
Equity securities	—	15.0	—	—	15.0
Corporate debt securities	2.0	—	—	—	2.0
<b>Non-current financial assets not measured at fair value</b>					
Finance lease receivables	—	—	5.0	—	5.0
	<b>2.0</b>	<b>15.0</b>	<b>5.0</b>	<b>—</b>	<b>22.0</b>
<b>Current financial assets measured at fair value</b>					
Derivative instruments	—	—	—	1.0	1.0
Government debt securities	84.0	—	—	—	84.0
<b>Current financial assets Not measured at fair value</b>					
Term deposits	—	—	68.0	—	68.0
Restricted funds	—	—	12.0	—	12.0
Trade receivables	—	—	300.0	—	300.0
Settlement balances receivable	—	—	69,690.0	—	69,690.0
Deposits paid for securities borrowed	—	—	779.0	—	779.0
Finance lease receivables	—	—	1.0	—	1.0
Cash and cash equivalents	—	—	679.0	—	679.0
	84.0	—	71,529.0	1.0	71,614.0
<b>Total financial assets</b>	<b>86.0</b>	<b>15.0</b>	<b>71,534.0</b>	<b>1.0</b>	<b>71,636.0</b>

<u>Financial Liabilities</u>	<u>Mandatorily at FVTPL</u>		<u>Other financial liabilities</u>		
	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	
<i>(£ million)</i>					
<b>30 September 2020 (unaudited)</b>					
<b>Financial liabilities measured at fair value</b>					
Deferred consideration . . . . .	<u>20.0</u>	<u>15.0</u>	<u>—</u>	<u>—</u>	<u>35.0</u>
	<b><u>20.0</u></b>	<b><u>15.0</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>35.0</u></b>

<u>Financial Assets</u>	<u>FVTOCI debt instruments</u> (£ million)	<u>FVTOCI equity instruments</u> (£ million)	<u>Amortised cost</u> (£ million)	<u>Mandatorily at FVTPL</u> (£ million)	<u>Total carrying amount</u> (£ million)
<b>30 September 2020 (unaudited)</b>					
<b>Financial liabilities Not measured at fair value</b>					
Bank loan	—	—	—	10.0	10.0
Loans from related party	—	—	—	73.0	73.0
Sterling Notes January 2024	—	—	430.0	4.0	434.0
Sterling Notes May 2026	—	—	249.0	4.0	253.0
Trade payables	—	—	—	18.0	18.0
Settlement balances payable	—	—	—	69,666.0	69,666.0
Deposits received for securities loaned	—	—	—	776.0	776.0
	—	—	679.0	70,551.0	71,230.0
<b>Total financial liabilities</b>	<b>20.0</b>	<b>15.0</b>	<b>679.0</b>	<b>70,551.0</b>	<b>71,265.0</b>



## Maturity profile of financial liabilities

As at 30 September 2020, the contractual maturities, including future interest obligations, of the TP ICAP Group's financial liabilities were as follows:

Contractual maturities of financial and lease liabilities	Less than 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total contractual cash flows
30 September 2020 (unaudited)			(£ million)		
Settlement balances	69,666.0	—	—	—	69,666.0
Deposits received for securities loaned	776.0	—	—	—	776.0
Trade payables	18.0	—	—	—	18.0
Bank loan	10.0	—	—	—	10.0
Loans from related party	73.0	—	—	—	73.0
Sterling Notes January 2024	—	23.0	488.0	—	511.0
Sterling Notes May 2026	7.0	7.0	52.0	263.0	329.0
Lease liabilities	10.0	29.0	114.0	156.0	309.0
Deferred consideration	—	15.0	20.0	—	35.0
	<b>70,560.0</b>	<b>74.0</b>	<b>674.0</b>	<b>419.0</b>	<b>71,727.0</b>

## Fair value measurements recognised in the statement of financial position

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2020 (unaudited)	Level 1	Level 2	Level 3	Total
		(£ million)		
<b>Financial assets measured at fair value</b>				
Equity instruments	—	8.0	7.0	15.0
Corporate debt securities	—	—	2.0	2.0
Government debt securities	84.0	—	—	84.0
Derivative instruments	—	1.0	—	1.0
<b>Financial liabilities measured at fair value</b>				
Deferred consideration	—	—	(35.0)	(35.0)
Derivative instruments	—	—	—	—
	<b>84.0</b>	<b>9.0</b>	<b>(26.0)</b>	<b>67.0</b>

There were no transfers between Level 1 and 2 during the period.

Reconciliation of Level 3 fair value movements:

	Equity instruments (at FVTOCI)	Debt securities (at FVTOCI)	Deferred consideration (at FVTPL)	Total
		(£ million)		
<b>Balance as at 1 January 2020</b>	7.0	2.0	(25.0)	(16.0)
Net change in fair value—included in 'administrative expenses'	—	—	(2.0)	(2.0)
Acquisition during the period	—	—	(13.0)	(13.0)
Amounts settled during the period	—	—	5.0	5.0
Effect of movements in exchange rates	—	—	—	—
<b>Balance as at 30 September 2020</b>	<b>7.0</b>	<b>2.0</b>	<b>(35.0)</b>	<b>(26.0)</b>

## 21. Acquisitions

### Louis Capital

In July 2020 the TP ICAP Group acquired 100% of LCM Europe Limited, LCM D Ltd and Louis Capital Markets LLC (collectively **Louis Capital**), a private brokerage group specialising in equities and fixed income, primarily based in Europe.

Under the agreement, initial cash consideration is estimated to be US\$21 million (£17 million). Consideration is subject to adjustment based on the level of regulatory capital, working capital and net cash at completion, estimated to be an offset of US\$1 million (£1 million). Deferred non-contingent consideration with an estimated fair value of US\$5 million (£4 million) is payable over two years and deferred contingent consideration, with an estimated fair value of US\$11 million (£9 million), is payable dependent upon the performance of the business over five years. The actual outcome may defer from this estimate. The gross payment of deferred contingent consideration is capped at US\$17 million (£14 million).

The initial fair value of the net assets acquired is estimated to be US\$5 million (£4 million). The estimated excess purchase price of US\$31 million (£25 million) will be allocated to goodwill and other acquisition related intangibles during the measurement period commencing in 2020 with goodwill estimated to be US\$22 million (£18 million) and US\$12 million (£10 million) relating to other acquisition related intangibles with deferred tax of US\$3 million (£3 million) recognised. Acquisition costs, included in administrative expenses, amounted to £1 million in the period to 30 September 2020 and £1 million was incurred in 2019. The initial accounting for the acquisition is provisional due to the proximity to 30 September 2020.

Had Louis Capital been acquired on 1 January 2020 the TP ICAP Group's underlying operating profit would have been £2 million higher and its underlying earnings £1 million higher.

## 22. Events after the balance sheet date

Based on the latest review, the TP ICAP Group has updated the provision in relation to the Yen Libor case in December 2020 as described in Note 17 Provisions, European Commission Yen Libor, from €10 million (£9 million) to €6.5 million (£5.8 million).

On 9 December 2020, the Dutch Court issued a final judgment dismissing the Foundation's claims in their entirety. The Foundation has until 9 March 2021 to appeal this final judgment, as described in Note 18 Contingent Liabilities, LIBOR class actions, (i) Stichting LIBOR Class Action.

On 31 December 2020, the transition period that was agreed under the terms of the ratified EU-UK Article 50 withdrawal agreement came to an end and the UK and the EU agreed a new trade deal. This trade deal does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

To service the TP ICAP Group's clients across the EU regardless of the ultimate outcome of the trade negotiations a new company in France was established to transact the TP ICAP Group's trading business in France, Germany, Spain and Denmark. The TP ICAP Group intends to increase the number of brokers in its EU offices and change work flows.

Whilst the TP ICAP Group's acquisition of Louis Capital in July 2020 has significantly increased the TP ICAP Group's presence in the EU by adding approximately 65 brokers, due to the extraordinary circumstances relating to the COVID-19 pandemic, it has not been possible to complete additional moves of brokers to its EU-based offices yet.

The TP ICAP Group continues to have discussions with its lead regulators and nothing has come to its attention to lead the TP ICAP Group to believe that, as a temporary measure, it will not be able to continue to provide services to clients based in the 27 countries of the EU using London-based brokers acting on behalf of its UK-regulated entities.

## **PART XIX**

### **HISTORICAL FINANCIAL INFORMATION OF THE LIQUIDNET GROUP**

#### **INCORPORATION OF HISTORICAL FINANCIAL INFORMATION BY REFERENCE**

The unaudited historical financial information relating to the Liquidnet Group for the nine months ended 30 September 2020 and the historical financial information relating to the Liquidnet Group for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 as set out within the Liquidnet Consolidated Financial Information is incorporated by reference into this Prospectus from Part 4 (*Historical Financial Information Relating to Liquidnet*) of the Circular (see Part VI: “*Information Incorporated by Reference*”).

The historical financial information of the Liquidnet Group should also be read in conjunction with Part V: “*Important Information*” of this Prospectus.

## PART XX

### OPERATING AND FINANCIAL REVIEW OF THE TP ICAP GROUP

*This Part XX: “Operating and Financial Review of the TP ICAP Group” is intended to convey management’s perspective on the TP ICAP Group’s operational performance and financial performance as measured in accordance with IFRS. The TP ICAP Group intends this disclosure to assist readers in understanding and interpreting the financial statements incorporated by reference in this document. The section that follows should be read in conjunction with Part V: “Important Information”, Part XII: “Business Overview of the TP ICAP Group” and Part XVIII: “Historical Financial Information of the TP ICAP Group” of this Prospectus. Prospective investors should read the entire document and not only rely on the information set out below and unaudited consolidated interim financial information included in this document. The historical financial information considered in this part is extracted without adjustment from the TP ICAP Group’s historical consolidated financial information incorporated by reference into Part XVIII: “Historical Financial Information of the TP ICAP Group” of this Prospectus, which should be read in full in conjunction with this Prospectus.*

*In addition to historical information, the following discussion and other parts of this Prospectus contain forward-looking information that involves risks and uncertainties. Accordingly, the results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and the TP ICAP Group’s actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth under Part II: “Risk Factors” and the paragraph “Forward-looking Information” of Part V: “Important Information” of this Prospectus.*

*The TP ICAP Group makes reference herein to certain alternative performance measures. See Part V: “Important Information—Alternative Performance Measures and Key Performance Indicators (KPIs) Used by the TP ICAP Group.”*

#### 1. OVERVIEW

The TP ICAP Group operates at the centre of global wholesale OTC and exchange-traded markets, providing both data and execution services. The TP ICAP Group provides broking services, including facilitating price discovery and execution, to counterparties operating in the world’s major wholesale OTC and exchange-traded financial and commodity markets. The TP ICAP Group is active across all core financial, energy and commodities asset classes, facilitating the flow of liquidity around the world and contributing to economic growth and financial stability. The TP ICAP Group provides an important service to its clients by enabling them to trade a wide range of financial, energy and commodities products in numerous markets and regions. These trades are often bespoke in nature, complex and of a high nominal value, with the TP ICAP Group’s brokers having access to deep pools of liquidity. The TP ICAP Group’s broking activities require it to act as an intermediary between buyers and sellers of complex financial products, enabling them to trade efficiently and effectively. The TP ICAP Group’s business model is focused on providing an intermediation service to its clients, which can be provided without actively taking market risk.

By seeking to act as a trusted partner to its clients, the TP ICAP Group enables them to transact their business with confidence.

The TP ICAP Group also provides independent neutral data products to participants in the financial, energy and commodities markets, including live and historical pricing content, as well as advanced valuation and risk analytics.

The TP ICAP Group’s business is organised into three geographic reporting segments: EMEA; the Americas; and Asia Pacific. The TP ICAP Group operates through five divisions (four of which are client-facing):

- *Global Broking:* Global Broking accounted for 67.9 per cent. of the TP ICAP Group’s revenue and 79.2 per cent. of the TP ICAP Group’s underlying operating profit for the year ended 31 December 2019. The TP ICAP Group’s Global Broking division provides brokerage and execution services to a number of markets and asset classes, including: Rates (derivative products which facilitate the management of interest rate risk), FX and Money Markets (treasury products, foreign exchange options, and cash and deposits), Emerging Markets (local market products, including emerging market bonds), Equities (equity derivative products and depositary receipts) and Credit Products (corporate bonds).
- *Energy & Commodities:* Energy & Commodities accounted for 20.8 per cent. of the TP ICAP Group’s revenue and 16.5 per cent. of the TP ICAP Group’s underlying operating profit for the year

ended 31 December 2019. The Energy & Commodities division operates in the oil, gas, power, renewables, precious and non-precious metals, soft commodities and coal markets for a range of clients including banks, corporates, physical commodity trading companies, asset managers and hedge funds.

- *Institutional Services*: Institutional Services accounted for 4.1 per cent. of the TP ICAP Group's revenue and 1.1 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Institutional Services division provides broking and execution services in a range of financial products to buy-side institutions such as hedge funds, asset managers, and corporates.
- *Data & Analytics*: Data & Analytics accounted for 7.4 per cent. of the TP ICAP Group's revenue and 21.1 per cent. of the TP ICAP Group's underlying operating profit for the year ended 31 December 2019. The Data & Analytics division provides data products consisting of OTC pricing data to enable clients to analyse, record, trade and risk manage their portfolios.
- *Corporate Centre*: The TP ICAP Group's Corporate Centre division provides support staff and infrastructure to the TP ICAP Group's client-facing divisions, including technology, compliance, risk, finance, HR, legal and other essential corporate functions. The Corporate Centre division does not generate revenue but is used to eliminate inter-divisional revenue.

## **2. KEY FACTORS AFFECTING RESULTS OF OPERATIONS**

The TP ICAP Group's results from operations have been, and the Enlarged Group's results of operations will continue to be, affected by a number of factors, many of which are beyond the TP ICAP Group's control. See also Part II: "*Risk Factors*" in this Prospectus. There are several key items that are expected to impact the Enlarged Group's results of operations on a consolidated basis. These items are described below.

### **2.1 Financial market volumes, price direction and volatility**

The TP ICAP Group's revenue is substantially driven by client trading volumes. Volumes are determined by a number of factors, including the global level of issuance of financial instruments, price volatility of financial instruments, price trends in financial markets, macro-economic conditions, creation and adoption of new financial products, the regulatory environment, and the introduction and adoption of new trading technologies. Historically, increased price volatility has often increased trading activity and the demand for services provided by the TP ICAP Group.

Volatility and price market trends are key drivers of activity in the financial markets. During periods of substantial market uncertainty regarding the future level or directional trend of prices, the level of volatility tends to be high and the TP ICAP Group's business tends to benefit from increased trading volumes, such as the period during the initial outbreak of COVID-19 in late March 2020, resulting in a reduction in risk appetite amongst clients. During periods of low volatility the level of financial market activity is generally more muted, and the volume of transactions undertaken by the TP ICAP Group's business on behalf of its clients tends to be lower.

The steepness and absolute level of yield curves can also be key drivers of activity in financial markets. When yield curves are relatively flat, the level of activity tends to be lower than when yield curves are relatively steep. As a result, muted volatility and a flat yield curve are generally negative for the TP ICAP Group's broking business, whereas higher volatility and a steeper yield curve are more positive.

Additionally, commodity price volatility also tends to lead to increased market activity. The TP ICAP Group's second largest division by revenue, Energy & Commodities, operates in all the key commodities markets, including oil, gas, power, renewables, ferrous metals, base metals, precious metals, soft commodities and coal. Activity in these markets tends to increase during periods of rapid change in commodity prices, and to be more subdued when prices are stable.

In 2017, market conditions were challenging as a result of low volatility and restrictions on clients' balance sheets resulting in lower trading volumes throughout the year. In 2018, conditions in financial markets were generally supportive with an increase in volatility, especially in interest rates and equities markets, in the face of a reduced quantitative easing policy within the U.S. and uncertain political environments across the world. In 2019, financial market conditions were marked by challenging conditions with generally muted levels of volatility. In the first half of 2020, the emergence of COVID-19 caused a significant shock to the global economy and resulted in an uplift of volatility, particularly in March, resulting in significantly higher trading

volumes in the OTC markets where the TP ICAP Group operates. On the other hand, the third quarter of 2020 has been marked by lower volatility, as compared to the first half of 2020, resulting in lower trading volumes.

## **2.2 Competition and Pricing**

The TP ICAP Group's profitability depends on its ability to offer its products to its clients at competitive pricing. In addition, the TP ICAP Group competes with other market participants not only in respect of pricing and product offerings, but also in other areas such as execution effectiveness, liquidity and connectivity/integration with client systems. Competition has intensified due to the cost pressures on investment banks, which are among the TP ICAP Group's most significant clients, as they seek to make their trading operations more profitable by reducing costs of their service providers, including the brokerage commissions paid to TP ICAP Group. In addition, certain rivals have discounted heavily to retain and win new business, as well as offering significant remuneration packages to attract new staff.

Significantly offsetting this pricing pressure is the fact that the TP ICAP Group is the world's largest inter-dealer broker and has the scale to make its products and services more efficient than its competitors, as well as offering enhanced speed of execution, higher price visibility and levels of liquidity which are sought after by clients, who see bringing their business to the TP ICAP Group as the most effective way to access market infrastructure. TP ICAP has previously won Interdealer Broker of the Year at the Financial News' Trading & Technology Awards.

## **2.3 Technological capabilities and electrification**

The TP ICAP Group's success has been, and will continue to be, attributable in significant part to its technology. For example, the TP ICAP Group's ability to attract and retain clients, as well as the types of products that the TP ICAP Group can offer, depends on the usability and reliability of its systems.

The TP ICAP Group has invested substantial amounts of capital to optimise the performance and increase the capacity of its trading systems, aiming to capture higher trading volumes and revenue, whilst incurring lower costs. For example, the launch of its FXOHub for FX options order book and request-for-quote execution in 2020 has been a key driver of TP ICAP's FX options market share, which, according to Clarus, grew by approximately five percentage points between the fourth quarter of 2019 and the third quarter of 2020. Information technology-related investment costs have been a significant portion of the TP ICAP Group's costs in the period under review as the TP ICAP Group continues to focus on electrification in line with market trends. The post-merger integration of the Tullett Prebon and ICAP operating platforms, which was completed in 2019, resulted in the elimination of legacy platforms and the streamlining of several processes. The TP ICAP Group intends to continue to enhance medium-term profitability potential by better using technology to align with market trends toward greater electrification and to improve the efficiency of client-facing services and internal operations.

## **2.4 The impact of the changing regulatory environment**

The jurisdictions in which the TP ICAP Group operates are highly regulated. Applicable regulations largely influence the TP ICAP Group's product offering and consequently have a significant effect on the TP ICAP Group's revenue and profitability. Overall, OTC derivative volumes have benefited from the introduction of mandatory central counterparty clearing for certain derivatives, as market participants tend to prefer centrally cleared transactions, which occur through a clearing platform that stands between counterparties in a trade and insulates them from the other counterparty's credit risk, over bilateral exposure. Mandatory central counterparty clearing has had a particularly positive impact in the Rates business. Electronic trading platforms generally have also benefited from best execution requirements of MiFID II, by being able to offer transactions via electronic platforms that provide clear audit trails throughout the process, from pre-trade to post-trade fund allocation. Uncleared Margin Rules have encouraged growth in certain products in the FX business, such as interbank trading of NDFs. For additional information on key markets and the impact of regulatory changes, please see Part XII: "*Business Overview of the TP ICAP Group—Key Market Trends.*" The TP ICAP Group's business is subject to direct and indirect regulation by a variety of regulators in multiple jurisdictions, and the overall trend globally continues to be towards increasing levels of regulatory oversight.

The TP ICAP Group is required to meet capital adequacy tests in certain jurisdictions in which it operates to ensure that it has sufficient capital to mitigate risks from market movements and client and counterparty default. In the UK, the TP ICAP Group is required by the FCA to maintain adequate regulatory capital on a consolidated and solo (i.e. individual-entity) basis. The FCA has wide discretion to change the TP ICAP Group's capital adequacy requirements, as well as the right to impose additional capital guidance if it considers

the TP ICAP Group's amount and type of capital to be insufficient. On Redomiciliation of the TP ICAP Group, changes in consolidated regulatory requirement should be constrained to the relevant subgroup, as described in Part XII: "*Business Overview of the TP ICAP Group—Regulation.*"

In order to ensure regulatory compliance, the TP ICAP Group continues to invest in its risk and compliance functions and in staff to ensure it has the right skills to advise and direct its business on the implications of the changing regulatory environment. The Directors believe that additional regulation or changes in rules promulgated by the numerous authorities and regulators that oversee the TP ICAP Group's business are likely to increase the TP ICAP Group's compliance costs over the short and medium-term.

## **2.5 Diversification**

The TP ICAP Group has sought to continue to leverage its OTC markets expertise and capability to further diversify its revenues. These efforts include continued investment in the Data & Analytics division where the TP ICAP Group is already a leading provider of OTC data products and services, as well as investing in its Institutional Services and Energy & Commodities divisions, which collectively provide diversification in terms of revenue model and client base, compared with the inter-dealer focus of Global Broking.

The Acquisition is expected to further diversify the TP ICAP Group's product offering by expanding buy-side connectivity via Liquidnet's global integrated buy-side network, enabling greater asset class diversification through Liquidnet's platform in the equities dark trading segment, and provide new growth opportunities, particularly in the D2C credit and rates markets.

## **2.6 Impairment of Goodwill**

The TP ICAP 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. Goodwill arising through business combinations is allocated to groups of individual CGUs, reflecting the lowest level at which the TP ICAP Group monitors and tests goodwill for impairment purposes. CGUs to which goodwill has been allocated are tested for impairment at least annually. The TP ICAP Group undertook an impairment assessment as at 31 December 2017 as part of its annual impairment assessment. In 2018 and 2019, the TP ICAP Group undertook impairment assessments as at 30 June and as at 31 December and, in 2020, the TP ICAP Group undertook impairment assessments as at 30 June 30 and 30 September. Each of these assessments was triggered as a result of changes in expected CGU cash flows. Determining whether goodwill is impaired requires an estimation of the recoverable amount of each group of CGUs. The recoverable amount is the higher of its value in use (VIU) or its fair value less cost of disposal (FVLCD). For additional information on impairment of goodwill in 2019, 2018 and 2017, please refer to the notes to the TP ICAP 2019 Financial Statements, TP ICAP 2018 Financial Statements and TP ICAP 2017 Financial Statements respectively, and for the nine months ended 30 September 2020, please see Note 10 to the TP ICAP 2020 TP ICAP Interim Financial Statements.

As a result of the TP ICAP Group's impairment reviews, the carrying value of the Asia Pacific CGU was written down by £21 million in 2020 and £24 million in 2019; these charges were included as an acquisition-related item. In 2018, the carrying value of the Americas CGU was written down by £58 million and the carrying value of the Asia Pacific CGU was written down by £7 million in these charges were included as an acquisition-related item.

## **2.7 Foreign exchange fluctuations**

Fluctuations in exchange rates can affect the results of operations of the TP ICAP Group. The TP ICAP Group reports revenue in pounds sterling, although it generates significant revenue in foreign currencies, particularly in U.S. dollars and euros. In addition, a significant portion of the TP ICAP Group's expenses are denominated in currencies other than pounds sterling, particularly in U.S. dollars and euros. Costs denominated in foreign currencies provide a degree of natural hedge against some of the currency risk associated with revenue generated in foreign currencies. Given the significant proportion of TP ICAP Group revenues generated in U.S. dollars and euros, a strengthening of the U.S. dollar or the euro, respectively, against the pound sterling could have a positive impact on the TP ICAP Group's reported results of operations, which may be wholly or partly offset by an increase in the translation of costs denominated in U.S. dollars or euros, as applicable, as a result of such exchange rate fluctuations.

### 3. FACTORS AFFECTING COMPARABILITY OF RESULTS OF OPERATIONS

#### 3.1 *Use of constant currency*

The term “constant currency” as used in this Prospectus refers to therebasing of prior period results by calculating the foreign exchange translation applied to the prior period, using the average foreign exchange rate for the period under review in order to eliminate the effect of fluctuations arising from foreign exchange translation in comparisons of period-on-period financial performance, thereby adjusting for the impact of fluctuations in foreign exchange rates between accounting periods when translating certain non-pound sterling (such as U.S. dollar and euro) results into the TP ICAP Group’s functional currency (which is the pound sterling). To calculate comparative figures on a constant currency basis, the TP ICAP Group’s non-pound sterling prior period comparatives are translated using the same foreign exchange rates applied in translating results in the period under review. The Directors believe that the use of constant currency allows for a more direct comparison of underlying performance between given accounting periods. See also Part V: “*Important Information—Currency Presentation*” for additional information.

### 4. RESULTS OF OPERATIONS

#### 4.1 *Description of Line Items*

The following section presents the TP ICAP Group’s principal income statement line items derived from the TP ICAP Consolidated Financial Statements. For a description of the TP ICAP Group’s key accounting policies see section 3.12 (Critical Accounting Judgements and Key Sources of Estimation Uncertainty) in this Part XX and Note 3 to the TP ICAP 2019 Financial Statements.

##### 4.1.1 *Revenue*

Revenue, which excludes sales taxes, includes brokerage commissions, fees earned and subscriptions for information sales. Fee income is recognised when the related services are completed and the income is considered receivable. The TP ICAP Group is organised by geographic reporting segments, which are used for the purposes of resource allocation and assessment of segmental performance by TP ICAP Group’s management. These are the TP ICAP Group’s reportable segments under IFRS 8 *Operating Segments*.

Each geographic segment comprises the following types of revenue:

- Name Passing brokerage, where counterparties to a transaction settle directly with each other. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on the trade date;
- Matched Principal brokerage revenue, being the net proceeds from a commitment to simultaneously buy and sell financial instruments with counterparties, is recognised on the trade date;
- Executing Broker brokerage, where the TP ICAP Group executes transactions on certain regulated exchanges and then ‘gives-up’ the trade to the relevant client, or its clearing member. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on the trade date; and
- Revenue arising in each geographic reportable segment is derived from four business divisions: Global Broking, Energy & Commodities, Institutional Services and Data & Analytics.

Fees earned from the sales of price information from financial and commodity markets to third parties are recognised on an accruals basis to match the provision of the service.

##### 4.1.2 *Administrative expenses*

Administrative expenses include front-office costs (which include travel and entertainment, telecommunications and information services, clearing and settlement fees as well as other direct costs) and management and support costs. Front office costs tend to have a large variable component to them and are directly linked to the output of the TP ICAP Group’s brokers.

##### 4.1.3 *Operating profit*

The TP ICAP Group’s operating profit is presented on a reported and underlying basis. Underlying operating profit excludes acquisition, disposals and integration costs and the gains and losses on business acquisitions and disposals, impairment charges and exceptional items. The adjustments between the reported operating profit and underlying operating profit are set out in more detail in Note 2 to the TP ICAP 2019, 2018 and 2017 Financial



Statements, and Note 2 to the TP ICAP 2020 Interim Financial Statements included in this Prospectus and in the section *Presentation of Financial Information* of Part V: “Important Information” of this Prospectus. See Part XVI: “Selected Financial Information of the TP ICAP Group—Other Financial Information” for a reconciliation between each alternative performance measure and the nearest IFRS measure.

#### 4.1.4 Net finance income/costs

Finance income/costs includes interest receivable and similar income, interest receivable on finance leases and deemed interest arising on the defined benefits pension scheme surplus, subject to the application of the asset ceiling. Dividends received from equity instruments are included as finance income in profit or loss.

#### 4.1.5 Taxation

The tax charge/credit represents current and deferred tax and includes the sum of current tax payable arising in the year, movements in deferred tax and movements in tax provisions. The tax expense includes any interest and penalties payable. The current tax payable arising in the year is based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of prior years. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

### 4.2 Results of Operations of the TP ICAP Group

The following table sets out the TP ICAP Group’s consolidated income statement data for the periods indicated.

	Year ended 31 December			Nine months ended 30 September	
	2017 (audited)	2018 (audited) (£ million)	2019 (audited)	2019 (unaudited) (£ million)	2020 (unaudited)
<b>Revenue</b>	<b>1,757</b>	<b>1,763</b>	<b>1,833</b>	<b>1,400</b>	<b>1,378</b>
Administrative expenses	(1,671)	(1,681)	(1,716)	(1,246)	(1,242)
Impairment loss on trade receivables	(2)	(1)	—	—	—
Other operating income	18	12	25	10	11
<b>Operating profit</b>	<b>102</b>	<b>93</b>	<b>142</b>	<b>164</b>	<b>147</b>
Finance income	6	5	6	4	2
Finance costs	(36)	(36)	(55)	(41)	(39)
<b>Profit before tax</b>	<b>72</b>	<b>62</b>	<b>93</b>	<b>127</b>	<b>110</b>
Taxation	3	(39)	(40)	(36)	(42)
<b>Profit after tax</b>	<b>75</b>	<b>23</b>	<b>53</b>	<b>91</b>	<b>68</b>
Share of results of associates and joint ventures	12	12	15	13	13
<b>Profit for the period</b>	<b>87</b>	<b>35</b>	<b>68</b>	<b>104</b>	<b>81</b>
<b>Attributable to:</b>					
Equity holders of TP ICAP plc	87	32	67	103	80
Non-controlling interests	—	3	1	1	1
<b>Total</b>	<b>87</b>	<b>35</b>	<b>68</b>	<b>104</b>	<b>81</b>

#### Reconciliation of operating profit to underlying operating profit

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)			(£ million)	
Operating profit	102	93	142	164	147
Acquisition, disposal & integration costs <sup>(1)</sup>	127	160	115	7	58
Exceptional items <sup>(2)</sup>	34	23	22	63	13
<b>Underlying operating profit</b>	<b>263</b>	<b>276</b>	<b>279</b>	<b>234</b>	<b>218</b>

#### Notes:

- (1) Acquisition, disposal & integration costs include 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 business combination that do not constitute fees relating to the arrangement of financing; amortisation of intangible assets arising on consolidation; any remeasurement after initial

recognition of contingent consideration which has been classified as a liability; and any gains or losses on the revaluation of previous interests.

- (2) Exceptional items include charges relating to business reorganisation, pension scheme past service and closure costs, charges relating to employee long-term benefits, charges relating to exceptional legal and regulatory costs and settlements, and related taxation.

#### Reconciliation of profit before tax to underlying profit before tax

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	(£ million)			(£ million)	
Profit before tax	72	62	93	127	110
Acquisition, disposal & integration costs <sup>(1)</sup>	127	160	115	63	58
Exceptional items <sup>(2)</sup>	34	23	22	7	13
<b>Underlying profit before tax</b>	<b>233</b>	<b>245</b>	<b>230</b>	<b>197</b>	<b>181</b>

#### Notes:

- (1) Acquisition, disposal & integration costs include 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 business combination that do not constitute fees relating to the arrangement of financing; amortisation of intangible assets arising on consolidation; any remeasurement after initial recognition of contingent consideration which has been classified as a liability; and any gains or losses on the revaluation of previous interests.
- (2) Exceptional items include charges relating to business reorganisation, pension scheme past service and closure costs, charges relating to employee long-term benefits, charges relating to exceptional legal and regulatory costs and settlements, and related taxation.

#### 4.2.1 Results of Operations for the nine months ended 30 September 2020 compared to the nine months ended 30 September 2019

##### (a) Revenue

Revenue decreased in the nine months ended 30 September 2020 by £22 million, or 2 per cent. on a reported basis to £1,378 million, compared to £1,400 million in the nine months ended 30 September 2019. Against a strong prior year comparative and after a relatively strong start to the year, trading volumes in the third quarter tailed off, resulting in an overall decrease.

#### Revenue by region

The TP ICAP Group's revenue by business division for the nine months ended 30 September 2020 and the nine months ended 30 September 2019 is shown below:

	Nine months ended 30 September			
	2019	2020	Reported Change	Constant Currency Change
	(£ million)		(%)	
<b>Revenue by region</b>				
EMEA	690	677	(2)	(2)
Americas	521	519	0	1
Asia Pacific	189	182	(4)	(3)
<b>Total Revenue</b>	<b>1,400</b>	<b>1,378</b>	<b>(2)</b>	<b>(1)</b>

#### EMEA

EMEA revenue decreased in the nine months ended 30 September 2020 by £13 million, or 2 per cent. on a reported basis (a decline of 2 per cent. on a constant currency basis), to £677 million, compared to £690 million in the nine months ended 30 September 2019. The decrease reflected lower trading volumes mainly in Global Broking, following a very strong first quarter. This was only partially offset by the improved performance in Energy & Commodities, Data & Analytics and Institutional Services businesses.

#### Americas

Americas revenue remained largely unchanged in the nine months ended 30 September 2020 at £519 million on a reported basis (an increase of 1 per cent. on a constant currency basis), compared to £521 million in the nine

months ended 30 September 2019, demonstrating resilient performance in the region despite challenging market conditions in the third quarter.

### *Asia Pacific*

Asia Pacific revenue decreased in the nine months ended 30 September 2020 by £7 million, or 4 per cent. on a reported basis (a decline of 3 per cent. on a constant currency basis), to £182 million, compared to £189 million in the nine months ended 30 September 2019. The decrease reflected a sharp decline in market activity in the third quarter of 2020, especially in Global Broking.

### **Revenue by business division**

The TP ICAP Group's revenue by business division for the nine months ended 30 September 2020 and the nine months ended 30 September 2019 is shown below:

	Nine months ended 30 September			
	2019	2020	Reported Change	Constant Currency Change
	(£ million)		(%)	
<b>Revenue by division</b>				
Rates	417	399	(4)	(4)
Credit	73	70	(4)	(4)
FX & Money Markets	154	142	(8)	(7)
Emerging Markets	164	144	(12)	(11)
Equities	151	147	(3)	(2)
Inter-Divisional	13	14	8	8
Global Broking	<b>972</b>	<b>916</b>	(6)	(5)
Energy & Commodities	285	297	4	5
Inter-Divisional	2	2	—	—
Total Energy & Commodities	287	299	4	5
Institutional Services	57	73	28	28
Data & Analytics <sup>(1)</sup>	99	106	7	8
Inter-Divisional Eliminations	(15)	(16)	7	7
<b>Total Revenue</b>	<b>1,400</b>	<b>1,378</b>	<b>(2)</b>	<b>(1)</b>

#### **Notes:**

(1) Contracts for the provision of Data & Analytics services gives the TP ICAP Group a right to revenue which corresponds directly to the value of the performance completed. The TP ICAP Group has applied the practical expedient in IFRS 15 and has not disclosed either the remaining amount due under the contract nor when the TP ICAP Group expects to recognise that amount.

Global Broking revenue decreased in the nine months ended 30 September 2020 by £57 million, or 6 per cent. on a reported basis (a decline of 5 per cent. on a constant currency basis), to £902 million, compared to £959 million in the nine months ended 30 September 2019. The decrease reflected weaker trading volumes in the third quarter of 2020, which was partly offset by a strong performance during the earlier part of the year as a result of an increase in volatility driven by the emergence of the COVID-19 pandemic.

Energy & Commodities revenue increased in the nine months ended 30 September 2020 by £12 million, or 4 per cent. on a reported basis (an increase of 5 per cent. on a constant currency basis), to £299 million, compared to £285 million in the nine months ended 30 September 2019. The increase reflected the division's revenue growth in its oil trading activity.

Institutional Services revenue increased in the nine months ended 30 September 2020 by £16 million, or 28 per cent. on a reported basis (an increase of 28 per cent. on a constant currency basis), to £73 million, compared to £57 million in the nine months ended 30 September 2019. The increase was driven by the growing size and strength of its buy-side franchise and supportive market conditions in the first half of 2020.

Data & Analytics revenue increased in the nine months ended 30 September 2020 by £7 million, or 7 per cent. on a reported basis (an increase of 8 per cent. on a constant currency basis), to £106 million, compared to £99 million in the nine months ended 30 September 2019. The increase reflected the growth of TP ICAP's subscription-based business as it continued to roll out new product sets and signed new client mandates.

Inter-division eliminations remained largely unchanged at £16 million in the nine months ended 30 September 2020 compared to £15 million in the nine months ended 30 September 2019.

(b) Operating profit

Operating profit decreased in the nine months ended 30 September 2020 by £17 million or 10 per cent. to £147 million compared to £164 million in the nine months ended 30 September 2019. The decrease in operating profit was mainly due to a decrease in revenues driven by challenging market conditions, as well as higher acquisition, disposal and integration costs and exceptional items.

**Underlying operating profit**

Underlying operating profit decreased in the nine months ended 30 September 2020 by £16 million, or 7 per cent., to £218 million, compared to £234 million in the nine months ended 30 September 2019. The decrease reflected a decline in revenue, particularly in the Global Broking business.

**Underlying operating profit by region**

	Nine months ended 30 September		
	2019 (£ million)	2020	Change (%)
<b>Underlying operating profit by region</b>			
EMEA	141	126	(11)
Americas	75	77	3
Asia Pacific	18	15	(17)
<b>Underlying operating profit</b>	<b>234</b>	<b>218</b>	<b>(7)</b>

EMEA underlying operating profit decreased in the nine months ended 30 September 2020 by £15 million, or 11 per cent., to £126 million, compared to £141 million in the nine months ended 30 September 2019. The decrease reflected lower revenue, which was driven by a decline in Global Broking revenue.

Americas underlying operating profit increased in the nine months ended 30 September 2020 by £2 million, or 3 per cent., to £77 million, compared to £75 million in the nine months ended 30 September 2019. The increase reflected higher revenue (on a constant currency basis) and lower support costs.

Asia Pacific underlying operating profit decreased in the nine months ended 30 September 2020 by £3 million, or 18 per cent., to £15 million, compared to £18 million in the nine months ended 30 September 2019. The decrease reflected a decrease in revenue, particularly in the Global Broking business.

**Underlying operating profit by business division**

	Nine months ended 30 September		
	2019 (£ million)	2020	Change (%)
<b>Underlying operating profit by division</b>			
Global Broking	197	160	(19)
Energy & Commodities	36	39	8
Institutional Services	4	8	100
Data & Analytics	44	45	2
Corporate Centre (and other unallocated costs)	(47)	(34)	28
<b>Underlying operating profit</b>	<b>234</b>	<b>218</b>	<b>(7)</b>

Global Broking underlying operating profit decreased in the nine months ended 30 September 2020 by £37 million, or 19 per cent., to £160 million, compared to £197 million in the nine months ended 30 September 2019. The decrease reflected a decrease in revenue driven by an overall reduction in a activity that resulted in a lower contribution, especially that of higher contribution margin products.

Energy & Commodities underlying operating profit increased in the nine months ended 30 September 2020 by £3 million, or 8 per cent., to £39 million, compared to £36 million in the nine months ended 30 September 2019. The increase reflected an increase in revenue that led to improved contribution flow-through across energy, power and gas products.

Institutional Services underlying operating profit increased in the nine months ended 30 September 2020 by £4 million, or 100 per cent. to £8 million, compared to £4 million in the nine months ended 30 September 2019. The increase reflected strong top-line growth, leading to improved operational leverage.

Data & Analytics underlying operating profit increased in the nine months ended 30 September 2020 by £1 million, or 2 per cent., to £45 million, compared to £44 million in the nine months ended 30 September 2019. The increase reflected top-line growth, leading to continuous economies of scale.

(c) Finance income/costs

Net finance costs remained unchanged at £37 million in the nine months ended 30 September 2020, reflecting a higher level of debt due to higher Revolving Credit Facility usage but offset in part by lower resulting facility fees.

(d) Taxation

Taxation increased in the nine months ended 30 September 2020 by £6 million to £42 million, compared to £36 million in the nine months ended 30 September 2019. The increase in the effective tax rate reflected an increase in non-deductible acquisition and exceptional costs.

*4.2.2 Results of Operations for the year ended 31 December 2019 compared to the year ended 31 December 2018*

(a) Revenue

Revenue increased in the year ended 31 December 2019 by £70 million, or 4 per cent. to £1,833 million, compared to £1,763 million in the year ended 31 December 2018. The increase reflected strong performance by Energy & Commodities and Data & Analytics and Institutional Services, partly offset by a subdued performances in Global Broking's Credit, Equities and FX & Money Markets.

**Revenue by region**

The TP ICAP Group's revenue by region in the year ended 31 December 2019 and in the year ended 31 December 2018 is shown below:

	Year ended 31 December			
	2018	2019	Reported Change	Constant Currency Change
	(£ million)		(%)	
<b>Revenue by region</b>				
EMEA . . . . .	886	900	2	1
Americas . . . . .	636	687	8	3
Asia Pacific . . . . .	241	246	2	(1)
<b>Total Revenue . . . . .</b>	<b>1,763</b>	<b>1,833</b>	<b>4</b>	<b>1</b>

*EMEA*

EMEA revenue increased in the year ended 31 December 2019 by £14 million or 2 per cent. on a reported basis (an increase of 1 per cent. on a constant currency basis), to £900 million, compared to £886 million in the year ended 31 December 2018. Global Broking revenue declined slightly, with Rates being the only asset class to increase revenues year-on-year. The other four EMEA business divisions saw small revenue declines. The first half of 2019 saw a Brexit-related deadlock leading to a lack of volatility and lower volumes amidst uncertainty. Further, the prospect of additional quantitative easing throughout Europe represented an additional challenge. However, the third quarter of 2019 experienced a significant increase in volatility and trading volumes, with macro-economic developments around the UK election, the U.S.-China trade war and the first U.S. Federal Reserve rate cut in 11 years, all contributing to higher volumes.

Revenue from Energy & Commodities increased slightly in the region year-on-year. The growth came from fuel oil & middle distillates, precious metals, power & gas, coals, liquefied natural gas (LNG) and gasoil physical. Institutional Services revenue experienced a 25 per cent. year-on-year increase. This was due to Coex growth, specifically in FX options with a larger clientele.

### *Americas*

Americas revenue increased in the year ended 31 December 2019 by £51 million, or by 8 per cent., on a reported basis (an increase of 3 per cent. on a constant currency basis) to £687 million, as compared to £636 million in the year ended 31 December 2018, despite difficult market conditions for TP ICAP's traditional Global Broking business. Within the Global Broking business, general market conditions worsened during 2018 due to a material decrease in market volatility leading to reduced client appetite. Rates revenue increased by 2 per cent. as USD swaps and Treasuries markets strengthened in the second half of the year.

Rates continued to be Americas' largest asset class in the year ended 31 December 2019. Americas' Equities revenue declined by 6 per cent. year-on-year in spite of new product development. This was due to lower volumes and volatility in U.S. equities market. Emerging Markets and FX & Money Markets businesses saw small revenue declines in the year ended 31 December 2019. This was due to lower volatility levels, client de-risking in forward FX, and some new competitors in local markets. U.S. fixed income markets remained subdued, as TP ICAP reported a single-digit decline in revenue.

The Americas' Energy & Commodities business performed strongly in the year ended 31 December 2019, with a 23 per cent. revenue increase. Revenue increased in oil products and ethanol, bolstered by the acquisition of Axiom Commodities in November 2018. In addition, the TP ICAP Group's traditional power and gas businesses experienced strong organic growth.

Finally, TP ICAP's Institutional Services performed strongly in the year ended 31 December 2019, continuing to expand its product offerings.

### *Asia Pacific*

Revenue in Asia Pacific increased in the year ended 31 December 2019 by £5 million, or 2 per cent. on a reported basis (a decrease of 1 per cent. on a constant currency basis), to £246 million as compared to £241 million in the year ended 31 December 2018, reflecting difficult conditions in the Global Broking business, offset by strong revenue growth in Energy & Commodities. Global Broking revenues in the region declined by 8 per cent. year-on-year. Hong Kong business was impacted from subdued equity derivatives markets and lower FX activity. In Singapore, the Rates business was affected by quieter markets and personnel changes. Japan saw some revenue decline due to fewer central bank stimulating actions compared to the prior year. In Australia, business experienced significant improvements as the brand recovered post the broker departures in 2017.

Overall, conditions in the Energy & Commodities markets in the region were favourable in the year ended 31 December 2019 and revenue from these products grew strongly by 31 per cent. year-on-year. Moreover, the Australian Energy & Commodities business revenue increased by 61 per cent, with strong electricity revenues supported by favourable market conditions. In addition, the gas business and the newly established precious metals desk provided further revenue uplift.

### Revenue by business division

The TP ICAP Group's revenue by business division for the year ended 31 December 2019 and the year ended 31 December 2018 is shown below:

	Year ended 31 December			
	2018 (restated) <sup>(1)</sup>	2019	Reported Change	Constant Currency Change
	(£ million)			(%)
<b>Revenue by division</b>				
Rates <sup>(1)</sup>	523 <sup>(1)</sup>	537	3	1
Credit	101	94	(7)	(10)
FX & Money Markets	207	201	(3)	(5)
Emerging Markets	213	213	(0)	(2)
Equities	210	199	(5)	(7)
Inter-Divisional	18	18	—	—
Global Broking	1,272	1,262	(1)	(3)
Energy & Commodities	331	379	15	11
Inter-Divisional	2	3	50	50
Total Energy & Commodities	333	382	15	11
Institutional Services	61 <sup>(1)</sup>	75	23	21
Data & Analytics	117	135	15	11
Inter-Divisional Eliminations	(20)	(21)	5	5
<b>Total Revenue</b>	<b>1,763</b>	<b>1,833</b>	<b>4</b>	<b>1</b>

#### Notes:

(1) In 2019, part of the Rates business line (representing the RV businesses) were reclassified from Global Broking to the Institutional Services division. The 2018 division results were reclassified to reflect this change, but division results for 2017 and previous periods were not reclassified. Consequently the division results for the year ended 31 December 2018 and 2019 are not directly comparable with those reported for previous periods. 2018 revenue has been restated to reclassify £24 million from Global Broking to Institutional Services.

Global Broking revenues in the year ended 31 December 2019 declined by £10 million, or 1 per cent., on a reported basis (a decline of 3 per cent. on a constant currency basis) to £1,244 million compared to £1,254 million in the year ended 31 December 2018, with the Rates division revenue growing by 3 per cent. on reported basis (an increase of 1 per cent. on constant currency basis). Conditions in credit markets continued to remain challenging in 2019, with a number of new competitors, lack of new issuance as well as restrictions on clients' balance sheets, resulting in a reduction in Credit revenue of 7 per cent. on a reported basis (a decline of 10 per cent. on a constant currency basis). Equities and FX & Money Markets experienced revenue declines of 5 per cent. on a reported basis (a decline of 7 per cent. on a constant currency basis) and 3 per cent. (a decline of 5 per cent. on constant currency basis), respectively, compared with the prior year due to subdued client activity on lower volume and volatility. Energy & Commodities revenue increased by 15 per cent. on a reported basis (an increase of 11 per cent. on a constant currency basis) compared to 2018 due to a combination of positive markets, strategic hires and the acquisition of Axiom at the end of 2018. Oil revenues increased by 9 per cent. year-on-year, with increased market activity driven by events in the Middle East. The Power & Gas businesses both reported strong revenue growth as they benefited from favourable market conditions.

#### (b) Operating profit

Operating profit for the year ended 31 December 2019 increased by £49 million or 53 per cent. to £142 million as compared to £93 million for the year ended 31 December 2018 partially due to lower integration costs and lower impairment of intangible assets.

#### Underlying operating profit

The TP ICAP Group underlying operating profit for the year ended 31 December 2019 increased by £3 million or 1 per cent. to £279 million, compared to £276 million in the year ended 31 December 2018, with an underlying operating profit margin in the year ended 31 December 2019 of 15.2 per cent., which was 0.5 percentage points lower than in the year ended 31 December 2018, due to the foreign currency exchange obstacles and minor increases in management and support costs.

### *Underlying operating profit by region*

	Year ended 31 December		
	2018	2019	Change
	(£ million)		(%)
<b>Underlying operating profit by region</b>			
EMEA . . . . .	173	164	(5)
Americas . . . . .	81	94	16
Asia Pacific . . . . .	22	21	(5)
<b>Underlying operating profit . . . . .</b>	<b>276</b>	<b>279</b>	<b>1</b>

#### *EMEA*

Underlying operating profit in EMEA for the year ended 31 December 2019 decreased by £9 million, or 5 per cent., to £164 million compared to £173 million in the year ended 31 December 2018. With revenue up 2 per cent. on a reported basis, the underlying operating profit margin decreased by 1.3 percentage points, to 18.2 per cent. The decrease reflected adverse FX foreign exchange movements, with slightly inflated support costs mainly through increased employee in-sourcing of IT consultancy and investment in strengthening risk and compliance functions.

#### *Americas*

In the Americas, the underlying operating profit for the year ended 31 December 2019 increased by £13 million, or 16 per cent., to £94 million, compared to £81 million in the year ended 31 December 2018, supported by the underlying operating profit margin improving by 1 percentage point to 13.7 per cent. reflecting higher revenue growth.

#### *Asia Pacific*

Underlying operating profit in Asia Pacific for the year ended 31 December 2019 decreased by £1 million, or 5 per cent., to £21 million compared to £22 million in the year ended 31 December 2018, whilst the underlying operating profit margin reduced by 0.6 percentage points to 8.5 per cent. with the benefit of reductions in management and support costs as a result of the TP and ICAP integration being more than offset by revenue decline.

### *Underlying operating profit by business division*

	Years ended 31 December		
	2018	2019	Change
	(£ million)		(%)
<b>Underlying operating profit by division</b>			
Global Broking . . . . .	253	221	(13)
Energy & Commodities . . . . .	32	46	44
Institutional Services . . . . .	1	3	200
Data & Analytics . . . . .	49	59	20
Corporate Centre . . . . .	(59)	(50)	(15)
<b>Underlying operating profit . . . . .</b>	<b>276</b>	<b>279</b>	<b>1</b>

In the year ended 31 December 2019, the TP ICAP Group presented underlying operating profit by division for the first time, which includes allocation of management and support costs (excluding Corporate Centre) to the different divisions. For Global Broking, the underlying operating profit for the year ended 31 December 2019 decreased by £32 million or 13 per cent. to £221 million, as compared to £253 million for the year ended 31 December 2018. This was due to higher front-office costs reflecting a higher compensation ratio as a result of increased retention efforts, as well as increased clearing and settlement costs due to vendor cost increases. Moreover, other costs increased due to ongoing legal costs in the U.S., IT consultancy investments, cyber and risk and compliance costs.

For Energy & Commodities, the underlying operating profit for the year ended 31 December 2019 increased by £14 million, or 44 per cent., to £46 million, as compared to £32 million in the year ended 31 December 2018. This increase was primarily due to higher revenues, which were partially offset by higher management and support costs.



Institutional Services for the year ended 31 December 2019 improved its underlying operating profit by £2 million to £3 million, as compared to £1 million in the year ended 31 December 2018.

Data & Analytics underlying operating profit for the year ended 31 December 2019 increased with strong growth of £10 million, or 20 per cent., to £59 million, as compared to £49 million in the year ended 31 December 2018. The results benefited from strong revenue growth and a positive impact on operating margin.

(c) Finance income/costs

Net finance costs increased for the year ended 31 December 2019 by £18 million, or 58 per cent., to £49 million, compared to £31 million for the year ended 31 December 2018. The increase reflected a high amount of interest payable on lease liabilities in the year ended 31 December 2019, as well as increased borrowing costs.

(d) Taxation

Taxation increased for the year ended 31 December 2019 by £1 million to £40 million, compared to £39 million for the year ended 31 December 2018. The increase in taxation reflects the increase in reported profits from 2018 to 2019, offset by the effect of non-deductible items included within acquisition costs and other exceptionals.

*4.2.3 Results of Operations for the year ended 31 December 2018 compared to the year ended 31 December 2017*

(a) Revenue

Revenue increased slightly for the year ended 31 December 2018 by £6 million to £1,763 million as compared to £1,757 million for the year ended 31 December 2017 on a reported basis. Conditions in financial markets were generally favourable in the year ended 31 December 2018 with an increase in volatility, especially interest rates and equities markets, in the face of a reduced quantitative easing policy within the U.S. and uncertain political environments across the world. Volatility and a steepening yield curve were favourable to the TP ICAP Group's business and Global Broking and the Rates and Equities divisions, in particular, benefited from these conditions.

**Revenue by region**

The TP ICAP Group's revenue by region for the year ended 31 December 2018 and for the year ended 31 December 2017 is shown below:

	Year ended 31 December			
	2017	2018	Reported Change	Constant Currency Change
	(£ million)			(%)
<b>Revenue by region</b>				
EMEA . . . . .	877	886	1	2
Americas . . . . .	628	636	1	5
Asia Pacific . . . . .	252	241	(4)	(2)
<b>Total Revenue . . . . .</b>	<b>1,757</b>	<b>1,763</b>	<b>0</b>	<b>3</b>

*EMEA*

Revenue for the region for the year ended 31 December 2018 million and increased by £9 million, or 1 per cent., (2 per cent. on a constant currency basis) to £886 million compared to £877 million for the year ended 31 December 2017. EMEA Global Broking revenue increased overall by 2 per cent. for the year ended 31 December 2018 driven primarily from strong performance within the Rates and Equities divisions. Market conditions were supportive of increased trading in these products due to volatility created from the macroeconomic environment, which included: interest rate increases in the U.S. and UK and the speculation preceding them; U.S.-China trade concerns; Brexit uncertainty; and Eurozone slowdown expectations.

EMEA revenue from Energy & Commodities was flat in the region year-on-year due to challenging market conditions.

EMEA Institutional Services revenue experienced a 4 per cent. decrease year-on-year resulting from a decline in the Mirexa business, which saw the Euro Government Bonds and FX Options desks close in 2018. This was partially offset by gains in Real Estate and Coex, which saw favourable market conditions and increased volatility, along with onboarding of a number of new clients.

### *Americas*

Americas increased revenues by 1 per cent. (5 per cent. on a constant currency basis) in the year ended 31 December 2018 as compared to the year ended 31 December 2017. The Americas reduced underperforming broker headcount over the course of the year ended 31 December 2017 and the year ended 31 December 2018, increasing revenue per broker by 7 per cent., which positioned the business to take advantage of the stronger market conditions and increased volatility seen in the year ended 31 December 2018.

Within the Americas' Global Broking business, general market conditions improved during the year ended 31 December 2018 leading to increased trading. Rates revenue increased by 7 per cent. as interest rate rises benefited trading across interest rate derivatives, government bonds and repos. Rates continues to be Americas' largest asset class.

Americas' Equities revenue in the year ended 31 December 2018 increased by 27 per cent. on the back of significantly increased volatility relative to historically low levels of volatility in U.S. Equity markets in the year ended 31 December 2017. Equities continues to be an area of investment and new product expansion.

Americas' FX & Money Markets businesses saw flat revenues in the year ended 31 December 2018 as compared to the year ended 31 December 2017 as Forward FX and derivatives offset subdued conditions in the Money Markets area.

A more subdued market in the second half of 2018 led to decreased volumes in Local Markets resulting in a slowdown in revenue in the period.

U.S. Credit markets remained subdued despite heightened activity in other areas of financial markets.

The Americas' Energy & Commodities business had flat revenues in the year ended 31 December 2018. The region saw increased revenue in oil products on the back of the acquisitions of SCS Commodities in January 2018 and Axiom in November 2018. However, these gains were offset by poor year-on-year comparables in U.S. Power and Natural Gas.

The Americas also saw growth in the Institutional Services business with a full year performance of the Coex business, which was acquired in November 2017. This business continues to perform well and is a growth opportunity for the region.

### *Asia Pacific*

Revenue in Asia Pacific declined by 4 per cent. (2 per cent. on a constant currency basis) in the year end 31 December 2018 compared to the year ended 31 December 2017, reflecting difficult conditions in the Energy & Commodities business as well as within certain products in Global Broking.

Global Broking revenue in the region increased by 1 per cent. year-on-year with the benefit of business development in the Tullett Prebon brand, where revenue grew by 11 per cent., but this was offset by a loss of revenue in the ICAP brand, where revenue fell by 14 per cent. largely as a result of brokers moving to competitors in late 2017. Within specific markets, such as Hong Kong, the Global Broking business performed well, as a result of the hire of a new equities derivatives desk, as well as within the Rates business, which benefited from movements in the U.S. dollar yield curve. The Singapore business had a good year in 2018 with both the FX & Money Markets and Rates businesses in particular performing well. During 2018, the region restructured its operations in Indonesia and Korea to operate under a single Tullett Prebon brand.

Overall, conditions in the Energy & Commodities markets in the region were unfavourable in the year ended 31 December 2018 and revenue from these products declined by 13 per cent. year-on-year. The ICAP iron ore business suffered a steep decline in revenue due to the migration of liquidity from the OTC market onto exchange. Revenue from oil and gas and their related products fell by approximately 13 per cent. due to a shift of gasoil market activity from Asian hours to the London market, together with some disruption to the Tullett Prebon branded naphtha desk. However, the Australian energy business, mainly power, gathered momentum and achieved a 17 per cent. increase in revenue, while the Singapore-based precious metals desk grew by 30 per cent.

### Revenue by Business Division

The TP ICAP Group's revenue by region for the year ended 31 December 2018 and the year ended 31 December 2017 is shown below excluding inter-divisional eliminations:

	Year ended 31 December			
	2017	2018	Reported Change	Constant Currency Change
	(£ million)		(%)	
<b>Revenue by division</b>				
Rates . . . . .	528	547	4	5
Credit . . . . .	117	101	(14)	(11)
FX & Money Markets . . . . .	218	207	(5)	(3)
Emerging Markets . . . . .	225	213	(5)	(3)
Equities . . . . .	182	210	15	18
Global Broking . . . . .	1,270	1,278	1	3
Energy & Commodities . . . . .	343	331	(3)	(1)
Institutional Services . . . . .	32	37	16	16
Data & Analytics . . . . .	112	117	4	8
<b>Total Revenue . . . . .</b>	<b>1,757</b>	<b>1,763</b>	<b>0</b>	<b>3</b>

Global Broking revenues in the year ended 31 December 2018 increased by £8 million, or 1 per cent. on a reported basis (an increase of 3 per cent. on a constant currency basis), to £1,278 million compared to £1,270 million in the year ended 31 December 2017, driven in large part by an increase in Equities revenue in light of generally supportive financial markets, offset by a decrease in Credit revenue due to a lack of new issuances, as well as restrictions on clients' balance sheets. FX & Money Markets, and Emerging Markets both saw revenue declines compared with prior year due to subdued activity. Energy & Commodities revenue decreased by 3 per cent. (or 1 per cent. on a constant currency basis) compared to 2017. Market conditions were favourable in gas, environmental products, European power, metals, and softs, but the benefit of these was offset by weaker U.S. power markets, the closure of some non-core desks (i.e. desks that have moved away from the TP ICAP Group's core offering) and bulks (i.e. commodities offered in powder form (including iron ore and coal) where challenging iron ore and coal markets saw volume move away from the TP ICAP Group's core offering. Oil revenue was flat and the market experienced high volatility caused by the U.S.-China trade war, Iranian sanctions and U.S. mid-term elections, with many of the TP ICAP Group's clients experiencing difficulties. Institutional services grew by 16 per cent. (an increase of 16 per cent. on a constant currency basis) due in part to strong growth within the U.S. and within the TP ICAP Group's global foreign exchange offering. Data & Analytics revenue was 4 per cent. higher (8 per cent. on a constant currency basis) than in 2017 with the business division executing a number of targeted organic growth opportunities during the year that have enabled it to monetise more proprietary data by releasing new products with a restructured salesforce.

### (b) Operating profit

Operating profit for the year ended 31 December 2018 decreased by £9 million or 9 per cent. to £93 million, compared to £102 million in the year ended 31 December 2017.

### Underlying operating profit by region

	Year ended 31 December		
	2017	2018	Change
	(£ million)		(%)
<b>Underlying operating profit by region</b>			
EMEA . . . . .	170	173	2
Americas . . . . .	64	81	27
Asia Pacific . . . . .	29	22	(24)
<b>Underlying operating profit . . . . .</b>	<b>263</b>	<b>276</b>	<b>5</b>

### EMEA

Underlying operating profit in EMEA for the year ended 31 December 2018 increased by £3 million or 2 per cent. to £173 million, compared to £170 million in the year ended 31 December 2017, and with revenue up

1 per cent., the underlying operating profit margin has increased by 0.1 percentage point, to 19.5 per cent. in the year ended 31 December 2018. These improvements reflect growth in the contribution margin of the business due to a reduction in other front office costs as well as the growth in revenue.

#### *Americas*

In the Americas, the underlying operating profit for the year ended 31 December 2018 increased £17 million or 27 per cent. to £81 million compared to £64 million in the year ended 31 December 2017, and the underlying operating profit margin has improved by 2.5 percentage points to 12.7 per cent., reflecting higher revenue growth and contribution as well as cost savings from the TP and ICAP integration.

#### *Asia Pacific*

Underlying operating profit in Asia Pacific decreased by £7 million, or 24 per cent., to £22 million in the year ended 31 December 2018, compared to £29 million in the year ended 31 December 2017, whilst the underlying operating profit margin has reduced by 2.4 percentage points to 9.1 per cent. with reductions in management and support costs as a result of the TP and ICAP integration being more than offset by increases in broker compensation. These increases were in response to competition for our brokers increasing the level of initial contract payments the region paid at the end of the year ended 31 December 2017 into the beginning of 2018.

#### (c) Finance income/costs

Net finance costs increased for the year ended 31 December 2018 by £1 million, or 3 per cent., to £31 million, compared to £30 million for the year ended 31 December 2017. The increase reflected a decrease in the deemed interest income arising on the defined benefit pension scheme surplus from the year ended 31 December 2018 to the year ended 31 December 2017, as well as an increase in interest payable on certain Sterling Notes.

#### (d) Taxation

Taxation increased for the year ended 31 December 2018 by £42 million to a tax charge of £39 million, compared to a tax credit of £3 million for the year ended 31 December 2017. The increase primarily reflected a large deferred tax credit in the year ended 31 December 2017 due to a reduction in U.S. federal tax rates.

## **5. LIQUIDITY AND CAPITAL RESOURCES**

### **5.1 Overview**

The TP ICAP Group does not take trading risk and does not hold proprietary trading positions. Consequently, the TP ICAP Group is exposed to trading book market risk only in relation to trades that fail to settle when executing Matched Principal trades for customers. The TP ICAP Group does retain a limited degree of exposure to non-trading book market risk, specifically to interest rate risk and currency risk. Thus the overall approach to the planning and management of the TP ICAP Group's capital and liquidity is to ensure its solvency, i.e. its continued ability to conduct business, deliver returns to shareholders, and support growth and strategic initiatives. The Group's risk profile meets the necessary conditions for an investment firm consolidation waiver and the TP ICAP Group benefits from the Consolidation Waiver in respect of the CRD IV provisions. For additional information on the Consolidation Waiver, please see Part XII: "*Business Overview of the TP ICAP Group—Regulation.*"

The TP ICAP Group seeks to ensure that it has access to an appropriate level of cash, other forms of marketable securities (including financial investments in the form of government securities and term deposits) and liquidity facilities to enable it to finance its ongoing operations on cost-effective terms. Cash and cash equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns.

### **5.2 Cash Flows**

#### *5.2.1 Cash flows for the nine months ended 30 September 2020 compared to the nine months ended 30 September 2019*

##### (a) Net cash flows from operating activities

Net cash from operating activities for the nine months ended 30 September 2020 increased by £49 million to a cash inflow of £75 million, compared to a cash inflow of £26 million for the nine months ended 30 September 2019 due to improvements in working capital balances.

(b) Net cash flows from investing activities

Net cash used in investing activities for the nine months ended 30 September 2020 increased by £40 million to £73 million compared to £33 million for the nine months ended 30 September 2019 due to increased expenditure on property, plant and equipment, Acquisition related spending and the purchase of other financial investments, representing government securities, term deposits and restricted funds.

(c) Net cash flows from financing activities

Net cash from financing activities for the nine months ended 30 September 2020 increased by £1 million to a cash outflow of £5 million compared to a cash outflow of £6 million for the nine months ended 30 September 2019 reflecting various financing activities during the period.

*5.2.2 Cash flows from the year ended 31 December 2019 compared to the year ended 31 December 2018*

(a) Net cash flows from operating activities

Net cash from operating activities for the year ended 31 December 2019 remained largely unchanged at £148 million compared to £149 million for the year ended 31 December 2018.

(b) Net cash flows from investing activities

Net cash used in investing activities for the year ended 31 December 2019 decreased by £16 million, to £55 million, compared to £71 million for the year ended 31 December 2018 due to a decrease in the purchase of property, plant and equipment in the year ended 31 December 2019, offset by a purchase of financial investments, representing government securities, term deposits and restricted funds in the year ended 31 December 2019, compared to a sale of financial investments in the year ended 31 December 2018.

(c) Net cash flows from financing activities

Net cash used in financing activities for the year ended 31 December 2019 increased by £20 million, to £71 million, compared to £51 million for the year ended 31 December 2018 due to a payment of lease liabilities off£21 million being classified as financing activity following the adoption of IFRS 16 in 2019.

*5.2.3 Cash flows from the year ended 31 December 2018 compared to the year ended 31 December 2017*

(a) Net cash flows from operating activities

Net cash from operating activities for the year ended 31 December 2018 increased by £62 million to £149 million, compared to £87 million for the year ended 31 December 2017 mainly due to a reduction in expenditure relating to the integration of acquired businesses.

(b) Net cash flows from investing activities

Net cash used in investing activities for the year ended 31 December 2018 decreased by £13 million, to £71 million, compared to £84 million for the year ended 31 December 2017 due to a sizeable purchase of financial investments in the year ended 31 December 2017 that was not repeated in the year ended 31 December 2018 and a sale of financial investments in the year ended 31 December 2018, offset by an increase in the year ended 31 December 2018 in the purchase of property, plant and equipment, and acquisition consideration paid.

(c) Net cash flows from financing activities

Net cash used in financing activities for the year ended 31 December 2018 increased by £2 million, to £51 million, compared to £49 million for the year ended 31 December 2017 due to an increase in dividends paid and a repayment of the Revolving Credit Facility, offset by a drawdown of the Revolving Credit Facility. In 2017, there was also a £30 million cash inflow resulting from the issuance of £500 million Sterling notes offset by the repayment of bank debt in a total amount of £470 million. Also reflected in 2017 was a £13 million outflow related to equity repayments and share issuance costs.

### **5.3 Capital Expenditure**

The TP ICAP Group's capital expenditures for the nine months ended 30 September 2020 were £34 million, consisting of spending on the TP ICAP Group's new London Headquarters and continued IT spending on routine, mandatory and investment projects.

Going forward, the Enlarged Group expects to make approximately £25 million to £30 million incremental capital expenditure on Liquidnet in the 12 to 24 months following the Completion of the Acquisition, focusing mainly on developing the IT infrastructure related to the D2C Credit and D2C Rates opportunities.

Additionally, the Enlarged Group expects approximately £100 million in further incremental strategic investment over the next five years to support margin improvement, which is in addition to its planned annual technology investment of between approximately £140 million and £160 million. Of this £100 million, approximately 60 per cent. is expected to be invested over the next two years and this investment is expected to be in addition to the capital expenditure planned for Liquidnet.

## 6. CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

As at 30 September 2020, the contractual maturities, including future interest obligations, of the TP ICAP Group's financial liabilities were as follows:

	Less than three months	Three and 12 months	One to five years (£ million)	More than five years	Total
Settlement balances <sup>(1)</sup>	69,666	—	—	—	69,666
Deposits received for securities loaned <sup>(2)</sup>	776	—	—	—	776
Trade payables	18	—	—	—	18
Bank loan <sup>(3)</sup>	10	—	—	—	10
Loans from related party <sup>(4)</sup>	73	—	—	—	73
Sterling Notes January 2024 <sup>(5)</sup>	—	23	488	—	511
Sterling Notes May 2026 <sup>(5)</sup>	7	7	52	263	329
Lease liabilities <sup>(6)</sup>	10	29	114	156	309
Deferred consideration <sup>(7)</sup>	—	15	20	—	35
<b>Total</b>	<b>70,560</b>	<b>74</b>	<b>674</b>	<b>419</b>	<b>71,727</b>

### Notes:

- (1) Settlement balances arise on Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs payment basis (DVP) and typically takes place within a few business days of the transaction date according to the relevant market rules and conventions. Offsetting the TP ICAP Group's settlement balances liabilities are corresponding assets shown in 'Trade and other payables' on its consolidated balance sheet.
- (2) Deposits received for securities loaned arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned.
- (3) For more information, see Note 13 to the TP ICAP 2020 Interim Financial Statements.
- (4) Loans from related party represents borrowing from Tokyo Tanshi, a related party of the Group. For more information, see Note 13 to the TP ICAP 2020 Interim Financial Statements. For additional information on related party transactions, please also see Paragraph 20 of Part XXIV: "Additional Information—Related Party Transactions."
- (5) For more information, see Note 13 to the TP ICAP 2020 Interim Financial Statements.
- (6) For more information, see Note 14 to the TP ICAP 2020 Interim Financial Statements.
- (7) Represents outstanding liabilities on deferred acquisition consideration.

## 7. OFF-BALANCE SHEET ARRANGEMENTS

As at 30 September 2020, the TP ICAP Group had no material off-balance sheet arrangements.

## 8. CONTINGENT LIABILITIES

As at 30 September 2020, the TP ICAP Group's contingent liabilities related to certain of its legal and regulatory cases. See paragraph 18 "Litigation and Arbitration" of Part XXIV: "Additional Information" for more information on specific provisions and other contingent liabilities of the Group.

Further, the TP ICAP Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of complex tax laws and practices of those territories. The TP ICAP Group establishes provisions for taxes other than current and deferred income taxes, based upon various factors that are continually evaluated, if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

## 9. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The TP ICAP Group is subject to several market risks. These include primarily liquidity risk and counterparty credit risk. The TP ICAP Group does not take trading risk and does not hold proprietary trading positions. Consequently, the TP ICAP Group is exposed to trading book market risk only in relation to trades that fail to settle when executing Match Principal trades. The TP ICAP Group has limited exposure to non-trading book market risk, specifically to interest rate risk and currency risk.

### 9.1 *Liquidity risk*

As a normal part of its operations, the TP ICAP Group faces liquidity risk through the risk of being required to fund transactions that fail to settle on the due date in executing trades for customers on the Matched Principal and Executing Broker models. The TP ICAP Group uses settlement agents, and central clearing counterparties where appropriate, to effect the settlement of trades. Providers of these facilities generally require cash deposits collateral or margin deposits from the TP ICAP Group and providers can call for increased cash collateral or margin to be made at short notice.

From a risk perspective, the most problematic scenario in respect of these trades concerns ‘fail to deliver’ transactions, where the business has received a security from the selling counterparty (and has paid cash in settlement of the same) but is unable to effect onward delivery of the security to the buying counterparty. Such settlement ‘fails’ give rise to a funding requirement, reflecting the value of the security which the TP ICAP Group has ‘failed to deliver’ until such time as the delivery leg is finally settled, or the security sold, and the business has received the associated cash. The TP ICAP Group has addressed this funding risk by arranging overdraft facilities to cover ‘failed to deliver’ trades, either with the relevant settlement agent/depository or with a clearing bank. Under such arrangements, the facility provider will fund the value of any ‘failed to deliver’ trades until delivery of the security is effected. Certain facility providers require collateral (such as a cash deposit or parent company guarantee) to protect them from any adverse mark-to-market movement and some also charge a funding fee for providing the facility. The TP ICAP Group is also exposed to potential margin calls. Margin calls can be made by central clearing counterparties under the Matched Principal broking model when not all legs of a matched principal trade are settled at the central clearing counterparty or when there is a residual balance or confirmation error. Margin calls can be made by the TP ICAP Group’s clearers or correspondent clearers under the Executing Broker broking model when there is a trade error or a counterparty is slow to confirm their trade. These margin calls occur mainly in the U.S. and UK. In the event of a liquidity issue arising, the firm has recourse to existing global cash resources, after which it could draw down on its £270 million committed Revolving Credit Facility as additional contingency funding. Please also see Part II: *“Risk Factors—The TP ICAP Group’s Matched Principal broking and Executing Broker activities and the resultant settlement processes create exposure to both market risk and liquidity risk that may reduce the Enlarged Group’s liquidity and adversely affect its profitability.”* for additional information on liquidity risks.

### 9.2 *Counterparty credit risk*

The TP ICAP Group is exposed to credit risk in the event of non-performance by counterparties in respect of its Name Passing, Matched Principal, Executing Broker and corporate treasury operations. The TP ICAP Group does not bear any significant concentration risk to either counterparts or markets. The credit risk in respect of the Name Passing business and the information sales and risk management services is limited to the collection of outstanding commission and transaction fees and this is managed proactively by the TP ICAP Group’s accounts receivable functions. As at the year end, a substantial majority of the TP ICAP Group’s counterparty exposure is to investment grade counterparts (rated BBB-/Baa3 or above). For more information see Note 12 to the TP ICAP 2020 Interim Financial Statements.

The Matched Principal business involves the TP ICAP Group acting as a counterparty on trades that are undertaken on a delivery versus payment basis. The TP ICAP Group manages its credit risk in these transactions through appropriate policies and procedures in order to mitigate this risk including stringent onboarding requirements, setting appropriate credit limits for all counterparts which are closely monitored by the regional credit risk teams to restrict any potential loss through counterparty default. Settlement of these transactions takes place according to the relevant market rules and conventions and the credit risk is considered to be minimal. Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned.

As at the year end, a substantial majority of the TP ICAP Group’s counterparty exposure is to investment grade counterparts. For more information see Note 22 to the TP ICAP 2019 Financial Statements.

The credit risk on cash, cash equivalents, and financial assets at amortised cost, FVTOCI or FVTPL are subject to frequent monitoring. All financial institutions that are transacted with are approved and internal limits are assigned to each one based on a combination of factors, including external credit ratings. As at the year end, a significant proportion of cash and cash equivalents is deposited with investment grade-rated financial institutions.

The ‘maximum exposure to credit risk’ is the maximum exposure before taking account of any securities or collateral held, or other credit enhancements, unless such enhancements meet accounting offsetting requirements. For financial assets recognised on the balance sheet, excluding equity instruments as they are not subject to credit risk, the maximum exposure to credit risk equals their carrying amount.

## **10. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

### **10.1 Overview**

The TP ICAP Group’s consolidated financial statements are prepared in accordance with IFRS adopted by the EU and comply with Article 4 of the EU IAS Regulation. Financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments held at fair values at the end of each reporting period

In the application of the TP ICAP Group’s accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period an estimate is revised.

### **10.2 Significant Accounting Policies**

For TP ICAP Group’s significant accounting policies, see Notes 3(a) to 3(v) to the TP ICAP 2019 Financial Statements, Accounting estimates and judgements.

For the critical judgements, apart from those involving estimations, that the Directors have made in the process of preparing the TP ICAP Consolidated Financial Statements, see Note 3(w) to the TP ICAP 2019 Financial Statements.



## PART XXI

### OPERATING AND FINANCIAL REVIEW OF THE LIQUIDNET GROUP

*This Part XXI: “Operating and financial review of the Liquidnet Group” is intended to convey management’s perspective on the Liquidnet Group’s operational performance and financial performance as measured in accordance with IFRS. This disclosure is intended to assist readers in understanding and interpreting the Liquidnet financial included in this Prospectus. The section that follows should be read in conjunction with Part V: “Important Information”, Part XIII: “Business Overview of the Liquidnet Group” and Part XIX: “Historical Financial Information of the Liquidnet Group” of this Prospectus. Prospective investors should read the entire document and not only rely on the information set out below. The historical financial information considered in this part is extracted without adjustment from the Liquidnet Group’s historical consolidated financial information included in this this Prospectus, which should be read in full in conjunction with this Prospectus.*

*In addition to historical information, the following discussion and other parts of this Prospectus contain forward-looking information that involves risks and uncertainties. Accordingly, the results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and the Liquidnet Group’s actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth under Part II: “Risk Factors” and the paragraph “Forward-looking Information” of Part V: “Important Information” of this Prospectus.*

*The Liquidnet Group makes reference herein to certain alternative performance measures. See Part V: “Important Information—Alternative Performance Measures Used by the Liquidnet Group.”*

#### 1. OVERVIEW

Liquidnet is a leading global electronic trading network where nearly 1,000 buy-side clients globally come to execute their large trades with maximum anonymity and minimum market impact in the equities and fixed income markets. Liquidnet has acted as a trusted partner to its clients for 20 years and its platform is fully integrated into their end-to-end workflows.

Liquidnet is comprised of three business divisions, Equities, Fixed Income and Investment Analytics:

- **Equities:** Equities is Liquidnet’s largest and most established business, servicing nearly 1,000 equity buy-side clients across 45 markets and focusing on low-touch large size dark trade execution including buy-side to buy-side block trading and algorithmic trading. Liquidnet offers its customers a range of intelligent execution options, workflow solutions and liquidity sourcing techniques. Liquidnet’s platform can be accessed via desktops, most OMS and EMS, and via Liquidnet’s Global Trading Desks. Equities clients provided approximately \$62 billion of global average daily liquidity over the first nine months of 2020;
- **Fixed Income:** Connecting the liquidity of more than 500 fixed income buy-side clients globally. Liquidnet’s Fixed Income division offers intelligent execution solutions for U.S. and European corporate bonds, and emerging market bonds, with a focus on facilitating large client-to-client (C2C) trades via protocols designed to minimise information leakage. The Liquidnet platform offers connectivity via major OMS and EMS. Over the first nine months of 2020, Liquidnet’s Fixed Income clients provided approximately \$17 billion of average daily liquidity; and
- **Investment Analytics:** Liquidnet’s Investment Analytics division allows traders and investors to analyse, filter and organise data through artificial intelligence, machine learning and natural language processing. Liquidnet’s data-driven approach to market intelligence is designed to help traders and portfolio managers more easily distil relevant information and streamline the investment decision-making process.

#### 2. KEY FACTORS AFFECTING RESULTS OF OPERATIONS

The Liquidnet Group’s results from operations have been, and will continue to be, affected by a number of factors, many of which are beyond the Liquidnet Group’s control. See also Part II: “Risk Factors” in this Prospectus. There are several key items that are expected to impact Liquidnet’s results of operations on a consolidated basis. These items are described below.

## **2.1 Market volumes and volatility**

The Liquidnet Group's revenue is substantially driven by client trading volumes. Volumes are determined by a number of factors, including the global level of issuance of financial instruments, price volatility of financial instruments, macro-economic conditions, creation and adoption of new financial products, the regulatory environment, and the introduction and adoption of new trading technologies. Historically, increased price volatility has often increased trading activity and the demand for services provided by the Liquidnet Group. For additional information on market volatility and impact on trading, please see Part XX: *“Operating and Financial Review of the TP ICAP Group—Key Factors Affecting Results of Operations—Financial market volumes, price direction and volatility.”*

For the nine months ended 30 September 2020, 72 per cent. of Liquidnet Group revenues were derived from commissions generated from trades, particularly equity trades, executed on its platform. The occurrence of any event that reduces equity trading volumes, and therefore commissions the Liquidnet Group receives, whether as a result of declines in the Liquidnet Group's trading volumes or overall market trading volumes, reductions in commission rates (which are based on either the number of shares or other instruments traded or the notional value of the securities traded), regulatory changes, competition or otherwise, would have a significant impact on the Liquidnet Group's operating results and profitability. Given the Liquidnet Group's focus on equities, shifts in institutional asset allocations toward or away from equities would have a material effect on equity market trading volumes, and thereby on the Liquidnet Group's revenues. The Liquidnet Group is also directly affected by the impact on overall trading volumes of economic and political conditions, including recessions and geopolitical unrest, broad trends in business and finance and changes in the conditions of the securities markets in which its customers trade.

In particular, market 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 Liquidnet Group's business generally benefits from the increased trading volumes that occur during such periods. For additional information on market volatility and its impact on financial markets activity please see Part XX: *“Operating and Financial Review of the TP ICAP Group—Key Factors Affecting Results of Operations—Financial market volumes, price direction and volatility.”*

## **2.2 Commission levels**

Commission rates on institutional trading activity have declined historically and this trend is expected to continue in light of the competitive pricing environment. In addition, the strategic shift in the mix of the Liquidnet Group's business to include an increasing portion of its trading volumes from liquidity-seeking, benchmark and portfolio trading Algos and sell-side offerings has also contributed to a decline in average commission levels because these offerings take place at a lower price point than Liquidnet's core block matching trades. Additionally, because commissions received by the Liquidnet Group are based on a mix of notional trade value (e.g. for equities trades outside the U.S. and Canada) and number of shares or other instruments traded (e.g. for equities trades in the U.S. and Canada), the Liquidnet Group's results are impacted by the principal value of securities and the number of securities that are traded on its platform. For example, if external market factors cause a decline in the value of equities, it would negatively impact Liquidnet Group commissions received for equities traded outside the U.S. and Canada.

## **2.3 Cost Structure**

The Liquidnet Group's cost structure is largely fixed. Liquidnet bases its expectations of cost structure on historical and expected levels of demand for its products and services, which determines its staff headcount levels and compensation costs, as well as its fixed operating infrastructure, such as its computer hardware and software and data centre facilities. During periods where demand for Liquidnet products and services declines and, as a result, its revenue declines, its profitability may be negatively impacted as the Liquidnet Group may not be able to adjust its cost structure on a timely basis. On a similar basis, to the extent the Liquidnet Group's expenses increase during a given period, during which revenue grows at a slower pace, its profitability will be negatively affected. For example, the Liquidnet Group's employee cash compensation (excluding equity based compensation) and benefits expense increased significantly, from \$96.6 million in 2017 to \$109.9 million in 2019, even as revenue declined across this period. While these expenses do not vary as a direct result of trading volume, incentive compensation fluctuates based on revenues, profitability and other measures, taking into account the competitive environment for key talent. Incentive compensation includes a combination of cash and equity-based rewards.

In addition, Liquidnet transaction costs consist primarily of costs related to transaction processing and clearing, settlement and outbound order routing costs, market data and order management system fees. These costs vary

as a direct result of trading volume. Transaction costs comprised 23 per cent. of Liquidnet's total pre-tax expenses in each of the years ended 31 December 2018 and 2019. These costs tend to fluctuate with trading volumes, the mix of trade execution services used by members, non-member customers and sell-side partners and the rates charged by third parties.

#### **2.4 *The impact of the changing regulatory environment***

The jurisdictions in which the Liquidnet Group operates are highly regulated. Applicable regulations largely influence its product offering and consequently have a significant effect on the Liquidnet Group's revenue and profitability. The Liquidnet Group's business is subject to direct and indirect regulation by a variety of regulators in multiple jurisdictions, and the overall trend globally continues to be towards increasing levels of regulatory oversight.

Regulatory changes relating to market structure affect the types of instruments traded as well as the nature of transactions, pricing structures, capital market participants and reporting / compliance requirements. Certain regulatory trends, such as the implementation of MiFID II, which includes regulations specific to pre-trade and post-trade transparency, rules on best execution, and a requirement for investment firms to charge for research and transaction processing separately, have had a positive impact on the Liquidnet Group's results of operations. For example, institutional investors often pay financial institutions for research access indirectly, as part of commissions paid on trades, as opposed to paying the research providers directly out-of-pocket. The Liquidnet Group's commission management services enterprise solution allows customers to pay research providers out of their commission payments, while still executing trades through the Liquidnet equities trading platform. The Liquidnet Group believes that this commission management service has become increasingly valuable to customers that must comply with the new requirements associated with MiFID II.

Additionally, the Liquidnet Group is required to meet capital adequacy tests in certain jurisdictions in which it operates to ensure that it has sufficient capital to mitigate risks from market movements and client and counterparty default. In most cases, the levels of regulatory capital required to be held by the Liquidnet Group's regulated subsidiaries is measured in terms of levels of shareholder's equity (the excess of assets over liabilities) rather than cash.

#### **2.5 *Access to Market Liquidity***

The Liquidnet Group's revenue is impacted by the total amount of market liquidity available on its platform and orders received from its customers and sell-side partners providing liquidity (also referred to as "liquidity partners"). To further aggregate liquidity in an increasingly fragmented market, the Liquidnet Group has expanded its product suite to include algorithmic trading, allowing customers can also take advantage of Liquidnet's suite of liquidity-seeking, benchmarking and portfolio trading algorithms to opportunistically look for liquidity in the broader market, as well as smarter routing and analytic logic to more effectively access that liquidity. As part of Liquidnet's effort to centralise institutional liquidity, it has also established relationships with other ATSS, MTFs, exchanges and large sell-side firms to bring additional liquidity into the Liquidnet ecosystem by transmitting firm and conditional orders to its equities trading platform for execution. The Liquidnet Group benefits from a network effect on its available market liquidity, whereby each new customer that joins increases the connections available for participants and further contributes to increased liquidity. Access to TP ICAP's liquidity pools following the Acquisition is expected to expand the total amount of market liquidity available on Liquidnet's platform.

#### **2.6 *Foreign exchange fluctuations***

Fluctuations in exchange rates can affect the results of operations of the Liquidnet Group. The Liquidnet Group reports revenue in U.S. dollars, although it generates significant revenue in pounds sterling and euros. The currency in which the Liquidnet Group generates revenue depends on a combination of factors, such as client account currency. In addition, a significant portion of the Liquidnet Group's expenses are denominated in currencies other than U.S. dollars, primarily pounds sterling. These costs naturally hedge some of the currency risk associated with revenue generated in pounds sterling.

### **3. RESULTS OF OPERATIONS**

#### **3.1 *Description of Line Items***

The following section presents the Liquidnet Group's principal income statement line items derived from the Liquidnet Consolidated Financial Statements. For a description of the Liquidnet Group's key accounting policies see Note 3 to the Liquidnet Historical Financial Information. Liquidnet's Investment Analytics business collects subscription revenue.

### *3.1.1 Revenue*

Revenue is derived from brokerage commissions earned on clients executing trades in the Liquidnet Group's equities and fixed income trading platforms and are recorded on a trade-date basis. Commission revenue is recorded net of incremental or add-on commissions received related to commission sharing agreements (**CSAs**). Liquidnet allows clients to enter into CSAs, which provide for a portion of commissions paid to be used to pay for investment related research. Under the CSAs, clients may increase their commission payments and/or receive a credit based on commissions paid to Liquidnet. Some of these liabilities have cash segregated for their settlement.

Other revenue includes administrative fees earned on the commission management aggregation services, legacy subscription from the acquisition of OTAS in May 2017 revenue and interest income from Liquidnet's treasury activities, all of which are recorded on an accrual basis.

Through its commission management aggregation services, Liquidnet aggregates participating members' and non-member customers' commission add-ons and credits for trades executed on its platform as well as trades executed with third party brokers, and then distribute payments to more than 2,200 service and research providers on their behalf. Liquidnet charges an administrative fee to the participating third party brokers.

### *3.1.2 Administrative expenses*

Administrative expenses primarily consist of employee compensation and benefit expenses, transaction costs and other expenses. Compensation expenses are comprised of base salary, cash bonuses, benefits, equity-based compensation, payroll taxes, and severance expenses, net of developed software capitalisation. While these expenses do not tend to vary as a direct result of trading volume, incentive compensation fluctuates based on revenue, profitability and other measures, taking into account the competitive environment for key talent. Incentive compensation includes a combination of cash and equity-based rewards. Transaction costs consist primarily of transaction processing and clearing, settlement and outbound order routing costs, market data and order management system fees. These costs tend to fluctuate with trading volumes, the mix of trade execution services used by members, non-member clients and sell-side partners and the rates charged by third parties. Other expenses include communications and data processing expenses, professional fees and consulting, occupancy expense (primarily rent and utilities), marketing and travel expenses, impairment expenses and other general and administrative expenses. Other expenses do not tend to vary as a direct result of trading volume but may increase over time as Liquidnet makes investments to enhance capacity and improve performance.

### *3.1.3 Operating profit*

Operating profit represents revenue less administrative expenses.

### *3.1.4 Net finance income/costs*

Finance income/costs includes interest income and interest expense relates primarily to outstanding indebtedness under Liquidnet's credit facility.

### *3.1.5 Taxation*

The tax charge/credit represents current and deferred tax and includes the sum of current tax payable arising in the year as well as movement in deferred tax balances. The tax expense includes any interest payable. The current tax payable arising in the year is based on taxable profit for the year using enacted tax laws and rates applicable to the periods, and any adjustment to tax payable in respect of prior years. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax impact for those items is dealt with in other comprehensive income or equity.

### 3.2 Results of Operations of the Liquidnet Group

The following table sets out the Liquidnet Group's consolidated income statement data for the periods indicated.

	Year ended 31 December			Nine months ended 30 September	
	2017 (audited)	2018 (audited) (\$ million)	2019 (audited)	2019 (unaudited) (\$ million)	2020 (unaudited)
<b>Revenue</b>	<b>318.3</b>	<b>341.5</b>	<b>302.2</b>	<b>225.7</b>	<b>254.6</b>
Administrative expenses	(246.4)	(286.8)	(305.9)	(222.8)	(247.9)
<b>Operating profit</b>	<b>71.9</b>	<b>54.7</b>	<b>(3.6)</b>	<b>2.9</b>	<b>6.7</b>
Finance income	1.0	2.3	2.1	1.7	0.3
Finance costs	(17.4)	(19.0)	(17.9)	(14.0)	(12.1)
<b>Profit before tax</b>	<b>55.5</b>	<b>38.0</b>	<b>(19.5)</b>	<b>(9.4)</b>	<b>(5.0)</b>
Taxation	(17.5)	(8.1)	6.7	0.9	1.0
<b>Profit after tax</b>	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
Share of results of associates and joint ventures	—	—	—	—	—
<b>Profit for the period</b>	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
<b>Attributable to:</b>					
Equity holders of the parent	38.0	29.9	(12.8)	(8.5)	(4.0)
	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
<b>Alternative Performance Measures:</b>					
<b>EBITDA</b>	<b>95.1</b>	<b>94.5</b>	<b>39.0</b>	<b>32.1</b>	<b>40.8</b>
<b>Adjusted EBITDA</b>	<b>108.2</b>	<b>109.9</b>	<b>56.7</b>	<b>45.0</b>	<b>58.5</b>

#### Reconciliation of profit for the period to EBITDA and Adjusted EBITDA

	Year ended 31 December			Nine months ended 30 September	
	2017 (\$ million)	2018 (\$ million)	2019 (\$ million)	2019 (\$ million)	2020 (\$ million)
<b>Profit for the period</b>	<b>38.0</b>	<b>29.9</b>	<b>(12.8)</b>	<b>(8.5)</b>	<b>(4.0)</b>
Taxation	17.5	8.1	(6.7)	(0.9)	(1.0)
Finance costs	17.4	19.0	17.9	14.0	12.1
Finance income	(1.0)	(2.3)	(2.1)	(1.7)	(0.3)
Depreciation and amortisation <sup>(1)</sup>	23.2	39.8	42.7	29.2	34.0
<b>EBITDA</b>	<b>95.1</b>	<b>94.5</b>	<b>39.0</b>	<b>32.1</b>	<b>40.8</b>
Impairment <sup>(2)</sup>	4.0	—	0.3	0.2	0.3
Equity based compensation <sup>(3)</sup>	9.6	9.3	13.7	10.9	17.4
Dual occupancy expense	—	6.5	1.6	1.6	—
Other non-recurring items <sup>(4)</sup>	(0.5)	(0.4)	2.1	0.2	—
<b>Adjusted EBITDA</b>	<b>108.2</b>	<b>109.9</b>	<b>56.7</b>	<b>45.0</b>	<b>58.5</b>

#### Notes:

- (1) Reduction in value of assets (including right-of-use assets computer equipment, purchased software and software development costs, furniture and fixtures, office equipment and acquired intangibles) with the passage of time.
- (2) Permanent reduction in value of fixed or intangible assets.
- (3) Non-cash compensation expense based on equity value of the company.
- (4) Non-recurring items include M&A expenses, restructuring expenses and other.

#### 3.2.1 Results of Operations for the nine months ended 30 September 2020 compared to the nine months ended 30 September 2019

##### (a) Revenue

Revenue increased in the nine months ended 30 September 2020 by \$28.9 million, or 13 per cent., to \$254.6 million, compared to \$225.7 million in the nine months ended 30 September 2019. The increase was

primarily driven by market volatility and market capture resulting in record revenue levels, which had a positive impact on both equities commission revenue and fixed income revenue.

(b) Administrative expenses

Administrative expenses increased in the nine months ended 30 September 2020 by \$25.1 million or 11 per cent. to \$247.9 million compared to \$222.8 million in the nine months ended 30 September 2019 as a result of an increase in compensation and benefits driven by higher incentive compensation expenses resulting from stronger than planned performance in the first quarter of 2020, higher severance expenses, an increase in equity based compensation, an increase in transaction costs driven by an increase in trading and routing costs as a result of higher trading volumes as well as higher OMS fees, and an increase in depreciation and amortisation driven by an increase in capitalisation and assets acquired through acquisitions in 2019, partly offset by decreases in travel and marketing expenses and other expenses.

(c) Operating profit

Operating profit increased in the nine months ended 30 September 2020 by \$3.8 million or 131 per cent. to \$6.7 million compared to \$2.9 million in the nine months ended 30 September 2019 as a result of an increase in revenue, partly offset by an increase in administrative expenses driven by the factors discussed above.

(d) Finance income/costs

Net finance costs decreased in the nine months ended 30 September 2020 by \$0.5 million or 4 per cent. to \$11.8 million compared to \$12.3 million in the nine months ended 30 September 2019 as a result of a decrease in interest expense driven primarily by lower interest bearing loans and borrowings.

(e) Taxation

Taxation decreased in the nine months ended 30 September 2020 by \$0.1 million or 11 per cent. to a tax benefit of \$1.0 million compared to a tax benefit of \$0.9 million in the nine months ended 30 September 2019 mainly as a result of a decrease in taxable income.

(f) Adjusted EBITDA

Adjusted EBITDA increased in the nine months ended 30 September 2020 by \$13.5 million or 30 per cent. to \$58.5 million compared to \$45.0 million in the nine months ended 30 September 2019 as a result of an increase in operating revenue and an increase in equity based compensation expense, partly offset by a net decrease in adjustments to EBITDA.

*3.2.2 Results of Operations for the year ended 31 December 2019 compared to the year ended 31 December 2018*

(a) Revenue

Revenue decreased in the year ended 31 December 2019 by \$39.3 million, or 12 per cent. to \$302.2 million, compared to \$341.5 million in the year ended 31 December 2018. The decrease reflected an overall decrease in equities commission revenue driven by a reduction in equities trading, partly offset by an increase in commission revenue in Asia Pacific and fixed income revenues.

(b) Administrative expenses

Administrative expenses increased in the year ended 31 December 2019 by \$19.1 million or 7 per cent. to \$305.9 million compared to \$286.8 million in the year ended 31 December 2018 primarily as a result of an increase in compensation and benefits expenses, an increase in depreciation and amortization resulting from acquisition charges and an increase in transaction costs driven by a higher mix of algorithmic trading resulting in additional routing costs, which were partly offset by a decrease in occupancy costs and other administrative costs.

(c) Operating profit

Operating profit for the year ended 31 December 2019 decreased by \$58.3 million or 107 per cent. to an operating loss of \$3.6 million as compared to an operating profit of \$54.7 million for the year ended 31 December 2018 due to lower revenues and higher administrative expenses driven by the factors discussed above.

(d) Finance income/costs

Net finance costs decreased for the year ended 31 December 2019 by \$0.9 million, or 5 per cent., to \$15.8 million, compared to \$16.7 million for the year ended 31 December 2018. The decrease reflected a reduction in interest expense driven by a lower debt balance in 2019.

(e) Taxation

Taxation decreased for the year ended 31 December 2019 by \$14.8 million, or 183 per cent., to a tax benefit of \$6.7 million, compared to tax expense of \$8.1 million for the year ended 31 December 2018. The decrease reflected lower profit before tax.

(f) Adjusted EBITDA

Adjusted EBITDA decreased for the year ended 31 December 2019 by \$53.2 million, or 48 per cent., to \$56.7 million, compared to \$109.9 million for the year ended 31 December 2018. The decrease mainly reflected a decrease in revenue offset by a net increase in adjustments driven largely by non-recurring severance and restructuring expenses and equity compensation expenses.

*3.2.3 Results of Operations for the year ended 31 December 2018 compared to the year ended 31 December 2017*

(a) Revenue

Revenue increased in the year ended 31 December 2018 by \$23.2 million, or 7 per cent. to \$341.5 million, compared to \$318.3 million in the year ended 31 December 2017. The increase reflected an increase in EMEA revenues driven by an increase in large in scale trading and post MIFID II compliance with best execution trading requirements an increase in APAC commission revenue driven by growth in Liquidnet's core large-scale crossing products as well as further adoption of Liquidnet's algorithmic suite of products.

(b) Administrative expenses

Administrative expenses increased in the year ended 31 December 2018 by \$40.4 million or 16 per cent. to \$286.8 million compared to \$246.4 million in the year ended 31 December 2017 as a result of an increase in cash compensation and benefits driven largely by an increase in headcount, an increase in transaction costs due to higher trading volume and higher routing and market data costs, as well as increases in occupancy costs resulting from duplicative rent expense associated with the relocation of the New York headquarters, depreciation and amortisation and communications and data processing expenses, partly offset by a net benefit from the write-down of an investment in 2017 and lower equity based compensation.

(c) Operating Profit

Operating profit for the year ended 31 December 2018 decreased by \$17.2 million or 24 per cent. to \$54.7 million as compared to an operating profit of \$71.9 million for the year ended 31 December 2017 due to an overall increase in administrative expenses, which was partly offset by an increase in revenue.

(d) Finance income/costs

Net finance costs increased for the year ended 31 December 2018 by \$0.3 million, or 2 per cent., to \$16.7 million, compared to \$16.4 million for the year ended 31 December 2017. The increase reflected an increase in the average amount of debt outstanding offset by a decrease in interest rates.

(e) Taxation

Taxation decreased for the year ended 31 December 2018 by \$9.4 million, or 54 per cent., to \$8.1 million, compared to \$17.5 million for the year ended 31 December 2017. The decrease mainly reflected changes in tax rates as a result of United States tax reform and lower profit before tax.

(f) Adjusted EBITDA

Adjusted EBITDA increased for the year ended 31 December 2018 by \$1.7 million, or 1.6 per cent., to \$109.9 million, compared to \$108.2 million for the year ended 31 December 2017. The increase reflected increases in revenue, depreciation and amortisation driven by right-of-use assets and adjustments to EBITDA driven largely by the duplicate rent expense associated with the relocation of the New York headquarters.

## **4. LIQUIDITY AND CAPITAL RESOURCES**

### **4.1 Overview**

Liquidnet's capital management objectives are to: 1) maintain sufficient surplus capital in excess of local regulatory requirements; 2) ensure adequate access to capital in all client-facing institutions; and 3) provide sufficient liquidity and flexibility at the parent level to ensure new businesses have access to overall capital to grow during the investment stage.

Liquidnet is an agency only broker. As such, it does not take proprietary positions on its balance sheet and uses well-capitalised investment firms to clear trades that it arranges for clients. This significantly limits the amount of liquidity risk to Liquidnet. Additionally, Liquidnet maintains intercompany arrangements to help facilitate the movement of cash between legal entities as the need arises. Cash is kept primarily with one global bank to ensure access and ease of liquidity management.

In the normal course of business, Liquidnet is involved in the execution of securities transactions on behalf of clients. In accordance with clearing agreements with certain clearing brokers, the clearing brokers have the right to charge Liquidnet's licensed securities dealer subsidiaries for losses that may result from a counterparty's failure to meet its settlement obligations. As the right to charge licensed securities dealers has no maximum amount and applies to all trades executed through the clearing brokers, there is no maximum amount assignable to this right of the clearing firms. In addition, Liquidnet's licensed securities dealer subsidiaries have the right to pursue collection or performance from the counterparties who do not meet their settlement obligations. To date, Liquidnet has not experienced any credit losses resulting from counterparty credit failures.

### **4.2 Cash Flows**

#### *4.2.1 Cash flows for the nine months ended 30 September 2020 compared to the nine months ended 30 September 2019*

##### **(a) Net cash flows from operating activities**

Net cash from operating activities for the nine months ended 30 September 2020 increased by \$54.1 million to a cash inflow of \$65.8 million, compared to a cash inflow of \$11.7 million for the nine months ended 30 September 2019 due to an increase in revenue.

##### **(b) Net cash flows from investing activities**

Net cash from investing activities for the nine months ended 30 September 2020 increased by \$38.0 million to a cash outflow of \$14.6 million, compared to a cash outflow of \$52.6 million for the nine months ended 30 September 2019 mainly due to M&A activity in 2019.

##### **(c) Net cash flows from financing activities**

Net cash from financing activities for the nine months ended 30 September 2020 increased by \$47.7 million to a cash inflow of \$8.0 million, compared to a cash outflow of \$39.7 million for the nine months ended 30 September 2019 primarily due to a lower repayment of term loan principal and a cash inflow from minority investments.

#### *4.2.2 Cash flows from the year ended 31 December 2019 compared to the year ended 31 December 2018*

##### **(a) Net cash flows from operating activities**

Net cash from operating activities for the year ended 31 December 2019 decreased by \$63.8 million to a cash inflow of \$16.2 million, compared to a cash inflow of \$80.0 million for the year ended 31 December 2018 primarily due to a decrease in revenue.

##### **(b) Net cash flows from investing activities**

Net cash from investing activities for the year ended 31 December 2019 increased by \$0.3 million to a cash outflow of \$60.7 million, compared to a cash outflow of \$61.0 million for the year ended 31 December 2018 mainly due to \$25.6 million consideration paid in connection with the acquisition of two technology firms, offset by a decrease in purchase of property, plant and equipment.

##### **(c) Net cash flows from financing activities**

Net cash flows from financing activities for the year ended 31 December 2019 decreased by \$40.1 million to a cash outflow of \$63.4 million, compared to a cash outflow of \$23.3 million for the year ended 31 December 2018 due to a \$60.0 million repayment of its term loan.



#### 4.2.3 Cash flows from the year ended 31 December 2018 compared to the year ended 31 December 2017

##### (a) Net cash flows from operating activities

Net cash from operating activities for the year ended 31 December 2018 decreased by \$26.2 million to a cash inflow of \$80.0 million, compared to a cash inflow of \$106.2 million for the year ended 31 December 2017 mainly due to a lower operating profit in 2018.

##### (b) Net cash flows from investing activities

Net cash from investing activities for the year ended 31 December 2018 decreased by \$19.3 million to a cash outflow of \$61.0 million, compared to a cash outflow of \$41.7 million for the year ended 31 December 2017 due to an increase in purchase of property, plant and equipment, which was partly offset by a decrease in acquisition costs.

##### (c) Net cash flows from financing activities

Net cash from financing activities for the year ended 31 December 2018 decreased by \$43.3 million to a cash outflow of \$23.3 million, compared to a cash inflow of \$20.0 million for the year ended 31 December 2017 due to a higher cash inflow from the issuance of a new term loan in 2017.

### 4.3 Capital Expenditure

The Enlarged Group expects to make approximately £25 million to £30 million incremental capital expenditure on Liquidnet in the 12 to 24 months following the Completion of the Acquisition, focusing mainly on developing the IT infrastructure related to the D2C Credit and D2C Rates opportunities.

## 5. CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

As at 30 September 2020, the contractual maturities, including future interest obligations, of the Liquidnet Group's financial liabilities were as follows:

	Less than three months	Three and 12 months	One to five years (\$ million)	More than five years	Total
Settlement balances <sup>(1)</sup>	114.4	—	—	—	114.4
Deposits received for securities loaned	—	—	—	—	—
Trade payables <sup>(2)</sup>	3.1	—	—	—	3.1
Term loan <sup>(3)</sup>	4.1	12.1	121.8	—	138.0
Preferred stock obligation	0.2	—	30.7	—	30.9
Lease liabilities <sup>(4)</sup>	3.0	10.2	53.5	100.4	167.1
<b>Total</b>	<b>124.8</b>	<b>22.3</b>	<b>206.0</b>	<b>100.4</b>	<b>453.5</b>

#### Notes:

(1) For more information, see Note 18 to the Liquidnet 2020 Interim Financial Statements.

(2) For more information, see Note 18 to the Liquidnet 2020 Interim Financial Statements.

(3) Pursuant to the Acquisition Agreement, outstanding amounts under the term loan will be paid off by TP ICAP at the closing of the Acquisition. For more information, see Note 12 to the Liquidnet 2020 Interim Financial Statements.

(4) For more information, see Note 13 to the Liquidnet 2020 Interim Financial Statements.

## 6. OFF-BALANCE SHEET ARRANGEMENTS

As at 30 September 2020, the Liquidnet Group had no material off-balance sheet arrangements.

## 7. CONTINGENT LIABILITIES

As at 30 September, the Liquidnet Group had no contingent liabilities.

## PART XXII

### CAPITALISATION AND INDEBTEDNESS

The following tables should be read in conjunction with the information appearing elsewhere in this document, including the financial and other information in Part XVIII: “*Historical Financial Information of the TP ICAP Group*.”

#### 1. CAPITALISATION AND INDEBTEDNESS STATEMENT OF THE TP ICAP GROUP

The following table shows the capitalisation of the TP ICAP Group. The information on current and non-current debt, and Shareholder’s equity has been extracted without material adjustment from the unaudited accounting records of TP ICAP as at 31 October 2020.

	As at 31 October 2020
	(unaudited) (£ million)
<b>Total current debt</b>	
Guaranteed	—
Secured	
Overdrafts <sup>(1)</sup>	(11)
Lease liabilities	(26)
Unguaranteed/Unsecured	
Current bank debt <sup>(2)</sup>	(55)
Fixed rate loans—accrued interest <sup>(4)</sup>	(12)
Loans from related party	(37)
<b>Total current financial indebtedness</b>	<b>(141)</b>
<b>Total non-current debt</b>	
Guaranteed	—
Secured	
Lease liabilities	(188)
Unguaranteed/Unsecured	
Fixed rate loans <sup>(5)</sup>	(679)
<b>Total non-current financial indebtedness</b>	<b>(867)</b>
	As at 31 October 2020
	(unaudited) (£ million)
<b>Shareholders’ equity</b>	
Share capital	141
Share premium	17
Merger reserve	1,384
Other reserves <sup>(3)</sup>	(1,194)
Retained earnings	1,400
<b>Equity attributable to equity holders of TP ICAP</b>	<b>1,748</b>
Non-controlling interests	20
<b>Total equity</b>	<b>1,768</b>

#### Notes:

(1) Overdrafts arising as a result of settling security transactions pending the completion of the onward sale.

(2) Relates to amounts drawn down on the TP ICAP Group’s Revolving Credit Facility.

(3) Other reserves include acquisition reserve, revaluation reserve, hedging and translation, and own shares.

(4) Relates to the accrued interest on the Sterling Notes January 2024 and Sterling Notes May 2026.

(5) Relates to outstanding principal balance less the unamortised debt issue costs of Sterling Notes January 2024 and Sterling Notes May 2026.

Since 31 October 2020, there has been no material change in the capitalisation of the TP ICAP Group.

The following table shows the net financial indebtedness of the TP ICAP Group as at 31 October 2020. This information has been extracted without material adjustment from the unaudited accounting records of the TP ICAP Group as at 31 October 2020.

	As at 31 October 2020
	<i>(unaudited)</i> <i>(£ million)</i>
Cash . . . . .	699
Cash equivalents . . . . .	6
<b>Liquidity . . . . .</b>	<b>705</b>
Current financial receivable <sup>(1)</sup> . . . . .	153
Current bank debt <sup>(2)</sup> . . . . .	(55)
Overdrafts <sup>(3)</sup> . . . . .	(11)
Fixed rate loans—accrued interest <sup>(4)</sup> . . . . .	(12)
Loans from related party . . . . .	(37)
Lease liabilities . . . . .	(26)
<b>Current financial debt . . . . .</b>	<b>(141)</b>
<b>Net current funds . . . . .</b>	<b>717</b>
Fixed rate loans—principal <sup>(5)</sup> . . . . .	(681)
Fixed rate loans—unamortised debt issue costs <sup>(6)</sup> . . . . .	2
Lease liabilities . . . . .	(188)
<b>Non-current financial indebtedness . . . . .</b>	<b>(867)</b>
<b>Net debt . . . . .</b>	<b>(150)</b>

Notes:

- (1) Financial investments comprise short term government securities, term deposits and restricted funds held with banks and clearing organisations
- (2) Relates to amounts drawn down on the TP ICAP Group's Revolving Credit Facility.
- (3) Overdrafts arising as a result of settling security transactions pending the completion of onward sale.
- (4) Relates to the accrued interest on the Sterling Notes January 2024 and Sterling Notes May 2026.
- (5) Relates to outstanding principal balance of Sterling Notes January 2024 and Sterling Notes May 2026.
- (6) Relates to unamortised debt issue costs of Sterling Notes January 2024 and Sterling Notes May 2026.

The TP ICAP Group has no material indirect or contingent indebtedness as at 31 October 2020.

## PART XXIII

### UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

#### SECTION A—UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information set out in this Part XXIII has been prepared to illustrate the effect on the profit and financial position of the TP ICAP Group of the Rights Issue and the Acquisition. The unaudited pro forma statement of net assets has been presented assuming the Rights Issue and the Acquisition had occurred on 30 September 2020. The unaudited pro forma income statements for the year ended 31 December 2019 and for the nine months ended 30 September 2020 have been presented assuming that the Acquisition had occurred on 1 January 2019 and 1 January 2020, respectively.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and by its nature, addresses a hypothetical situation and, therefore, does not represent the TP ICAP Group's actual financial position or results. Such information may not, therefore, give a true picture of the TP ICAP Group's financial position or results of operations nor is it indicative of its results. The Unaudited Pro Forma Financial Information has been prepared in accordance with the UK version of Annex 20 of Commission Delegated Regulation (EU) 2019/980 (which is part of UK law by virtue of the EUWA) supplementing the UK Prospectus Regulation.

The Unaudited Pro Forma Financial Information is based on TP ICAP's unaudited consolidated balance sheet as at 30 September 2020, the TP ICAP Group's audited consolidated income statement for the year ended 31 December 2019 and TP ICAP Group's unaudited consolidated income statement for the nine months ended 30 September 2020 and is stated on the basis of the accounting policies of the TP ICAP Group set out in the TP ICAP 2019 Financial Statements.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. The Unaudited Pro Forma Financial Information has not been prepared, or shall not be construed as having been prepared, in accordance with Regulation S-X under the U.S. Securities Act. Investors should read the whole of this document, including documents incorporated by reference herein, and not rely solely on the summarised unaudited financial information contained below.

#### Unaudited Pro Forma Statement of Net Assets

The following unaudited pro forma statement of net assets of the Enlarged Group has been prepared on the basis set out in the Notes below to illustrate the consolidated statement of net assets of the TP ICAP Group as if the Acquisition had taken place on 30 September 2020.

	TP ICAP as at 30 September 2020	Liquidnet as at 30 September 2020	Adjustments		Consideration paid and net intangible assets	Pro forma net assets as at 30 September 2020
			Rights issue	Draw down on Facilities		
	(Note 1)	(Note 2)	(Note 3) (£ million)	(Note 4)	(Note 5)	
<b>Non-current assets</b>						
Intangible assets arising on consolidation . . . . .	1,501.0	50.5	—	—	274.5	1,826.0
Other intangible assets . . . . .	58.0	21.7	—	—	—	79.7
Property, plant and equipment . .	89.0	36.0	—	—	—	125.0
Right-of-use assets . . . . .	162.0	65.6	—	—	—	227.6
Investment in associates . . . . .	61.0	—	—	—	—	61.0
Investment in joint ventures . . .	26.0	—	—	—	—	26.0
Other investments . . . . .	17.0	1.9	—	—	—	18.9
Deferred tax assets . . . . .	3.0	22.7	—	—	—	25.7
Other long-term receivables . . .	24.0	—	—	—	—	24.0
Retirement benefit assets . . . .	—	1.9	—	—	—	1.9
	<b>1,941.0</b>	<b>200.3</b>	<b>—</b>	<b>—</b>	<b>274.5</b>	<b>2,415.8</b>
<b>Current assets</b>						
Trade and other receivables . . .	70,897.0	78.2	—	—	—	70,975.2
Financial investments . . . . .	164.0	—	—	—	—	164.0
Cash and cash equivalents . . . .	679.0	215.0	311.1	81.0	(392.1)	894.0
	<b>71,740.0</b>	<b>293.2</b>	<b>311.1</b>	<b>81.0</b>	<b>(392.1)</b>	<b>72,033.2</b>

		Adjustments				
	TP ICAP as at 30 September 2020	Liquidnet as at 30 September 2020	Rights issue	Draw down on Facilities	Consideration paid and net intangible assets	Pro forma net assets as at 30 September 2020
	(Note 1)	(Note 2)	(Note 3) (£ million)	(Note 4)	(Note 5)	
<b>Total assets</b>	<b>73,681.0</b>	<b>493.6</b>	<b>311.1</b>	<b>81.0</b>	<b>(117.6)</b>	<b>74,449.1</b>
<b>Current liabilities</b>						
Trade and other payables	(70,762.0)	(120.6)	—	—	—	(70,882.6)
Interest bearing loans and borrowings	(91.0)	(7.0)	—	(81.0)	—	(179.0)
Lease liabilities	(26.0)	(5.2)	—	—	—	(31.2)
Current tax liabilities	(23.0)	(1.0)	—	—	—	(24.0)
Short term provisions	(14.0)	—	—	—	—	(14.0)
	<b>(70,916.0)</b>	<b>(133.8)</b>	<b>—</b>	<b>(81.0)</b>	<b>—</b>	<b>(71,130.9)</b>
<b>Net current assets</b>	<b>824.0</b>	<b>159.4</b>	<b>311.1</b>	<b>—</b>	<b>(392.1)</b>	<b>902.4</b>
<b>Non-current liabilities</b>						
Interest bearing loans and borrowings	(679.0)	(92.2)	—	—	—	(771.2)
Lease liabilities	(190.0)	(82.2)	—	—	—	(272.2)
Deferred tax liabilities	(82.0)	—	—	—	—	(82.0)
Long-term provisions	(23.0)	—	—	—	—	(23.0)
Other long-term payables	(25.0)	(1.8)	—	—	(64.0)	(90.8)
Retirement benefit obligations	(2.0)	(1.9)	—	—	—	(3.9)
	<b>(1,001.0)</b>	<b>(178.1)</b>	<b>—</b>	<b>—</b>	<b>(64.0)</b>	<b>(1,243.1)</b>
<b>Total liabilities</b>	<b>(71,917.0)</b>	<b>(312.0)</b>	<b>—</b>	<b>(81.0)</b>	<b>(64.0)</b>	<b>(72,374.0)</b>
<b>Net assets</b>	<b>1,764.0</b>	<b>181.6</b>	<b>311.1</b>	<b>—</b>	<b>(181.6)</b>	<b>2,075.1</b>

#### Unaudited Pro Forma Income Statement for the year ended 31 December 2019

The following unaudited pro forma income statement of the Enlarged Group has been prepared on the basis set out in the Notes below to illustrate the consolidated statement of operating income of the TP ICAP Group as if the Acquisition had taken place on 1 January 2019.

	TP ICAP for the year ended 31 December 2019	Adjustments		Pro forma for the year ended 31 December 2019
		Liquidnet for the year ended 31 December 2019	Acquisition	
	(Note 1)	(Note 2) (£ million)	(Note 7)	
<b>Revenue</b>	<b>1,833.0</b>	<b>236.1</b>	<b>—</b>	<b>2,069.1</b>
Administrative expenses	(1,570.0)	(239.0)	—	(1,809.0)
Other operating income	16.0	—	—	16.0
<b>Operating profit-underlying</b>	<b>279.0</b>	<b>(2.8)</b>	<b>—</b>	<b>276.2</b>
Acquisition costs related to the Liquidnet Acquisition	—	—	(16.5)	(16.5)
Acquisition, disposal and integration costs	(115.0)	—	—	(115.0)
Exceptional items	(22.0)	—	—	(22.0)
<b>Operating profit-reported</b>	<b>142.0</b>	<b>(2.8)</b>	<b>(16.5)</b>	<b>122.7</b>
Finance income	6.0	1.6	—	7.6
Finance costs	(55.0)	(14.0)	—	(69.0)
<b>Profit before tax</b>	<b>93.0</b>	<b>(15.2)</b>	<b>(16.5)</b>	<b>61.3</b>
Taxation	(40.0)	5.3	0.6	(34.2)
<b>Profit after tax</b>	<b>53.0</b>	<b>(10.0)</b>	<b>(16.0)</b>	<b>27.1</b>
Share of results of associates and joint ventures	15.0	—	—	15.0
<b>Profit for the period</b>	<b>68.0</b>	<b>(10.0)</b>	<b>(16.0)</b>	<b>42.1</b>

#### Unaudited Pro Forma Income Statement for the nine months ended 30 September 2020

The following unaudited pro forma income statement of the Enlarged Group has been prepared on the basis set out in the Notes below to illustrate the consolidated income statement of the TP ICAP Group as if the Acquisition had taken place on 1 January 2020.

		Adjustments		
	TP ICAP for the nine months ended 30 September 2020	Liquidnet for the nine months ended 30 September 2020	Acquisition	Pro forma for the nine months ended 30 September 2020
	(Note 1)	(Note 2)	(Note 7)	
		(£ million)		
<b>Revenue</b>	<b>1,378.0</b>	<b>198.9</b>	—	<b>1,576.9</b>
Administrative expenses	(1,170.0)	(193.7)	—	(1,363.7)
Other operating income	10.0	—	—	10.0
<b>Operating profit-underlying</b>	<b>218.0</b>	<b>5.3</b>	—	<b>223.3</b>
Acquisition costs related to the Liquidnet				
Acquisition	(4.6)	—	(11.9)	(16.5)
Acquisition, disposal and integration costs	(58.0)	—	—	(58.0)
Exceptional items	(8.4)	—	—	(8.4)
<b>Operating profit-reported</b>	<b>147.0</b>	<b>5.3</b>	<b>(11.9)</b>	<b>140.4</b>
Finance income	2.0	0.3	—	2.3
Finance costs	(39.0)	(9.5)	—	(48.5)
<b>Profit before tax</b>	<b>110.0</b>	<b>(3.9)</b>	<b>(11.9)</b>	<b>94.2</b>
Taxation	(42.0)	(0.8)	0.2	(41.0)
<b>Profit after tax</b>	<b>68.0</b>	<b>(3.1)</b>	<b>(11.7)</b>	<b>53.2</b>
Share of results of associates and joint ventures	13.0	—	—	13.0
<b>Profit for the period</b>	<b>81.0</b>	<b>(3.1)</b>	<b>(11.7)</b>	<b>66.2</b>

#### Notes

- (1) The net assets of the TP ICAP Group used in the unaudited pro forma consolidated net asset statement as at 30 September 2020 have been extracted without adjustment from the unaudited interim consolidated financial statements for the nine months ended 30 September 2020.

The financial information for the TP ICAP Group used in the unaudited pro forma consolidated income statement for the year ended 31 December 2019 has been extracted without adjustment from the audited consolidated financial statements for the year ended 31 December 2019.

The financial information for the TP ICAP Group used in the unaudited pro forma consolidated income statement for the nine months ended 30 September 2020 has been extracted without adjustment from the unaudited interim consolidated financial statements for the nine months ended 30 September 2020.

- (2) The net assets of the Liquidnet Group used in the unaudited pro forma consolidated net asset statement as at 30 September 2020 have been extracted without adjustment from the Historical Financial Information included in Part XIX: “*Historical Financial Information of the Liquidnet Group*”, translated at an exchange rate of £1.00:\$1.339 being the closing rate as at 30 September 2020.

The financial information for the Liquidnet Group used in the pro forma unaudited pro forma consolidated income statement for the year ended 31 December 2019 has been extracted without adjustment from the Historical Financial Information included in Part XIX: “*Historical Financial Information of the Liquidnet Group*”, translated at an exchange rate of £1.00:\$1.28 being the average exchange rate for the year ended 31 December 2019.

The financial information for the Liquidnet Group used in the unaudited pro forma consolidated income statement for the nine months ended 30 September 2020 has been extracted without adjustment from the Historical Financial Information included in Part XIX: “*Historical Financial Information of the Liquidnet Group*”, translated at an exchange rate of £1.00:\$1.28 being the average exchange rate for the nine months ended 30 September 2020.

- (3) The net proceeds of the Rights Issue of £311.1 million are calculated on the basis that the Company issues 135 million New Shares at a price of 235 pence per share, net of estimated expenses in connection with the Rights Issue of approximately £6.3 million.

- (4) It is estimated that \$108.5 million (£81 million) will be drawn under the existing revolving credit facilities of the TP ICAP Group to fund an equivalent amount of the purchase consideration.

No interest charge adjustments have been made to the unaudited pro forma income statements.

- (5) The unaudited pro forma statement of net assets has been prepared on the basis that the acquisition of Liquidnet will be accounted for using the acquisition method. The excess of consideration over the book value of assets acquired has been reflected as a net intangible asset arising on consolidation less the reversal of previously recognised intangible assets of Liquidnet.

For the purposes of this pro forma, no account has been taken of any Completion of the Acquisition date settlement adjustments under the terms of the acquisition. These adjustments can only be performed as at the date of Completion of the Acquisition and may be material.

- (i) The estimated undiscounted purchase consideration is \$650 million. Of that, the amount of deferred contingent consideration is estimated to be \$75 million and is dependent on the performance of the business over a three year period post Completion of the Acquisition and may therefore be materially different. Deferred amounts are discounted at 13.4 per cent. and are set out in (ii) below.
- (ii) The intangible assets on this basis has been calculated as follows:

	<b>No. of shares (m)</b>	<b>Share price (p)</b>	<b>\$million (undiscounted)</b>	<b>\$million (discounted)</b>	<b>£million</b>
Consideration settled in shares (at date closing price) . . . . .	135.0642747	235.0	425.0	425.0	317.4
Estimated expenses in connection with the Rights Issue . . . . .			(8.5)	(8.5)	(6.3)
			416.5	416.5	311.1
Consideration settled in cash . . . . .			108.5	108.5	81.0
Vendor Loan Notes (\$50m undiscounted) . . . . .			50	34.3	25.6
Fair value of deferred consideration (\$75m undiscounted) . . . . .			75	51.4	38.4
			650.0	610.7	456.1
Net assets as at 30 September 2020 . . . . .					(181.6)
Net intangible assets arising on consolidation . . . . .					274.5

- (6) The unaudited pro forma statement of net assets does not include any adjustments which would be required to restate the assets and liabilities of the Liquidnet Group to their fair values, nor any associated deferred tax adjustments. The fair value measurements of the acquired assets, including the recognition of separately identifiable intangible assets, if any, and liabilities will only be performed as at the date of Completion of the Acquisition and may be material.
- (7) £16.5 million is the estimated transaction related costs which do not qualify to be capitalised as part of the estimated purchase consideration. An adjustment for the full estimated cost has been made to include these estimated expenses because the unaudited pro forma income statement for the year ended 31 December 2019 has been prepared as if the transaction had completed at the start of the period stated.  
  
Some of these estimated costs were recorded as expenses in the TP ICAP Group income statement for the nine months ended 30 September 2020. Therefore, a further adjustment has been made to include the remainder.  
  
These expenses are non-recurring in nature and are not expected to have a continuing impact on the consolidated results. The estimated tax benefit of the above adjustment is £0.6 million in the pro forma income statements for the year to 31 December 2019 and £0.2 million in the nine month period to 30 September 2020 based on current corporation tax rates.
- (8) The unaudited pro forma income statements do not include amortisation of intangible assets on acquisition as this will not be determined until the purchase price allocation exercise is completed.
- (9) There are no material differences in the accounting policies applied by the TP ICAP Group and those applied by the Liquidnet Group under IFRS as presented in Part XIX: “*Historical Financial Information of the Liquidnet Group*”, in this Prospectus.
- (10) No account has been taken of any trading of the TP ICAP Group or of the Liquidnet Group after 30 September 2020.

## SECTION B—ACCOUNTANT’S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

Deloitte LLP  
1 New Street Square  
London EC4A 3HQ

The Board of Directors  
on behalf of TP ICAP plc  
Floor 2, 155 Bishopsgate  
London EC2M 3TQ

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

7 January 2021

Dear Sirs/Mesdames

### TP ICAP plc (the “Company”)

We report on the pro forma financial information (the “Pro forma financial information”) set out in *Part XXIII* of the Prospectus dated 7 January 2021 (the “Prospectus”), which has been prepared on the basis described in the notes thereto, 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 30 September 2020. This report is required by the UK version of the Commission delegated regulation (EU) 2019/980 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the “Prospectus Delegated Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

### Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro forma financial information in accordance with Annex 20 sections 1 and 2 of the Prospectus Delegated Regulation.

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 20 section 3 of the Prospectus Delegated Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(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 1 item 1.3 of the Prospectus Delegated Regulation, 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 Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that to the best of our knowledge, the information contained in this report is, 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 1 item 1.2 of the Prospectus Delegated Regulation.

Yours faithfully

Deloitte LLP

*Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.*

## PART XXIV

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Directors and Proposed Director, whose names appear in Part III: “*Directors, Proposed Director, Secretary, Registered Office and Advisers*” of this document, and the Company accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Directors, and Proposed Director and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

#### 2. Incorporation and Registered Office

- 2.1** The Company was incorporated and registered in England and Wales on 5 May 2006 as a public company limited by shares under the Companies Act 1985 and with the registered number 05807599.
- 2.2** The registered office of the Company is at Floor 2, 155 Bishopsgate, London EC2M 3TQ, United Kingdom (telephone number +44(0)20 7200 7000). The Company’s LEI is 5493009UWRK48KKUD358 and its website address is [www.TPICAP.com](http://www.TPICAP.com).
- 2.3** The principal legislation under which the Company operates and under which the Ordinary Shares were created, is the Companies Act.

#### 3. Share Capital and Dividends

- 3.1** As at the Latest Practicable Date, the share capital of the Company was £140,834,095, comprised of 563,336,380 Ordinary Shares. The Ordinary Shares in the share capital of the Company have a nominal value of 25 pence each and are 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.
- 3.2** The following table shows the changes in the share capital of the Company which occurred from 31 December 2017 to the Latest Practicable Date:

	Number of Ordinary Shares
At 31 December 2017 . . . . .	554,132,671
At 31 December 2018 . . . . .	563,336,380
At 31 December 2019 . . . . .	563,336,380
At 30 September 2020 . . . . .	563,336,380
At 5 January 2021 (being the Latest Practicable Date) . . . . .	563,336,380

- 3.3** As at the Latest Practicable Date, the issued and fully paid ordinary share capital of the Company was as follows:

	Shares prior to the Rights Issue	
	Number of Ordinary Shares	Amount of share capital (£)
Issued . . . . .	563,336,380	140,834,095

- 3.4** The issued and fully paid ordinary share capital of the Company immediately following completion of the Rights Issue, is expected to be as follows:

	Shares following the Rights Issue	
	Number of Ordinary Shares	Amount of share capital (£)
Issued . . . . .	788,670,932	197,167,733

- 3.5** Subject to Admission, pursuant to the Rights Issue, 225,334,552 New Ordinary Shares will be issued at a price of 140.0 pence per New Ordinary Share. This will result in the issued ordinary share capital of the Company increasing by approximately 40.0 per cent. Qualifying Shareholders who take up their pro rata entitlement in full will suffer no dilution to their interests in the Company. Qualifying Shareholders who

do not take up any of their rights to subscribe for the New Ordinary Shares will be diluted by 28.6 per cent. following the Rights Issue (assuming no options granted under the Share Plans are exercised between the Latest Practicable Date and the date of completion of the Rights Issue).

**3.6** At the Annual General Meeting, the Company passed the following resolutions:

- (a) the Directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
  - (i) in accordance with article 7 of the Company's Articles, up to a maximum nominal amount of £46,944,698.25 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Articles) allotted under paragraph (ii) below in excess of £46,944,698.25); and
  - (ii) comprising equity securities (as defined in article 8 of the Articles), up to a maximum nominal amount of £93,889,396.50 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Articles),

and the authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 1 July 2021 and all previous unutilised authorities under section 551 of the Companies Act shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of the resolution which would or might require shares to be allotted or rights to be granted on or after that date);

- (b) the Directors be given power to allot equity securities for cash, provided that this power (other than in connection with a rights issue) is limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £7,041,704.75, which power shall expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 1 July 2021; and
- (c) in addition to the power given in paragraph (b) above, the Directors be given power to power to allot equity securities for cash, provided that this power is limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £7,041,704.75 and used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of the notice of the Annual General Meeting, which power shall expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 1 July 2021.

**3.7** Section 561 of the Companies Act confers on shareholders certain rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employee's share scheme as defined in Section 1166 of the Companies Act. The Company is subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the statutory rights of pre-emption in Section 561 of the Companies Act. The statutory rights of pre-emption apply to the issue of New Ordinary Shares which are not the subject of the disapplication referred to in paragraphs 3.6(b) and 3.6(c) of this Part XXIV or reserved for issue in connection with share options and schemes (and other arrangements) referred to in paragraph 9 of this Part XXIV. The statutory rights of pre-emption have been disappplied as set out in paragraphs 3.6(b) and 3.6(c) of this Part XXIV to give the Directors flexibility in relation to rights issues and otherwise permit the Directors to allot Ordinary Shares for cash having a nominal value of up to 10 per cent. of the issued ordinary share capital.

#### **4. Summary of the Articles**

The following is a summary of the Articles, which were adopted pursuant to a special resolution passed on 11 May 2017 and which are available for inspection as set out in paragraph 26 of this Part XXIV. The Articles include provisions, *inter alia*, to the following effect:

##### **4.1 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)

##### **4.2 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 110 and 111)

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 112)

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 118)

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 119)

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 114)

The Company may cease to send any payment in respect of any dividend payable in respect of a share if:

- (A) 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
- (B) 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 117)

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 116)

#### *Voting rights*

Subject to any rights or restrictions attached to any shares (Article 43):

- (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 43)

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 45)

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 47)

#### *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:

- (A) is lodged, duly stamped, at the registered office of the Company or such other place as the directors may appoint;
- (B) 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
- (C) 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 133)

#### *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 on 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 130)

### *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)

## **4.3 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 53)

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 55)

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 57)

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 55)

### *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 58)

#### *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 59)

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 60)

#### *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 67 and 71)

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 72, 73 and 74)

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 62)

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 62)

#### *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 TP ICAP 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 70)

#### *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 85)

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 88)

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 90)

#### *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 82)

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 82)

#### *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 79, 80, 81)

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 77)

#### *Directors' remuneration and expenses*

The non-executive directors shall be paid fees not exceeding in aggregate £1,100,000 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 63)

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 64)

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 65)

#### *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 associated 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 66)

### *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 134)

### *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 29, 68)

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 31)

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 31)

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 125)

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 126)

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 33)

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 37, 41, 49)

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 49)

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 50)

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 44)

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 50)

Directors may attend and speak at any general meeting of the Company, whether or not they are members. (Article 37)

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 40)

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 34)

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 27)

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 27).

#### **4.4 Amendments to the Articles**

At the Scheme General Meeting, Shareholders will be asked to approve, by way of special resolution, certain amendments to the Articles in order to facilitate the Scheme. If Shareholders approve the Scheme Resolutions, the Articles shall be amended in such a way as to ensure that:

- (1) any Ordinary Shares which are issued to any person other than New TP ICAP before the record time for the Scheme (but after the Scheme General Meeting) are allotted subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and
- (2) any Ordinary Shares which are allotted to any person other than New TP ICAP after the record time for the Scheme will be immediately transferred to New TP ICAP in exchange for the issue or transfer to the relevant allottees of one New TP ICAP Ordinary Share for each Ordinary Share transferred.

Pursuant to these amendments, the New Ordinary Shares shall also be bound by the Scheme.

## 5. Directors and Proposed Director

- 5.1** The biographies of the Directors and the Proposed Director are set out in Part XV: “*Directors, Proposed Director and Corporate Governance*” of this document.
- 5.2** The business address of each of the Directors and the Proposed Director is: Floor 2, 155 Bishopsgate, London, EC2M 3TQ.
- 5.3** In addition to their directorships of the Company and other members of the TP ICAP Group, the Directors and the Proposed Director hold, or have held, the following directorships and are or were members of the following partnerships, within the past five years:

Name	Position	Company/partnership	Position still held
Richard Berliand . . . .	Director	Man Group Plc	Yes
	Director	Saranac Partners Limited	Yes
	Director	Richard Berliand Limited	Yes
	Director	CloudMargin Limited	Yes
	Director	ITRS Global Holdings Limited	(Resigned 17 March 2017)
	Director	Rothsay Holdco UK Limited	(Resigned 28 February 2019)
	Director	Earth-i Limited	(Resigned 30 April 2018)
	Director	Renshaw Bay LLP (In Liquidation)	(Resigned 27 December 2017)
	Director	Rothsay Life plc	(Resigned 28 February 2019)
	Director	Rothsay Assurance Limited	(Resigned 20 February 2017)
	Director	Mako Europe Ltd	(Resigned 31 August 2016)
	Director	RB SFOF (UK) Origination Limited (Dissolved 02 February 19)	(Resigned 30 April 2015)
	Director	RB SFOS I (UK) Origination Limited (Dissolved 02 November 2016)	(Resigned 30 April 2015)
	Director	RB SFO 1 Limited (In Liquidation)	(Resigned 30 April 2015)
	Director	RB SFO 2 Limited (In Liquidation)	(Resigned 30 April 2015)
	Director	London Wine Agencies Limited	(Resigned 15 December 2017)
Nicolas Breteau . . . .	Director	BCMG Consulting Limited (Dissolved 13 June 2017)	(Resigned 17 March 2017)
Robin Stewart . . . . .	None	None	None
Philip Price . . . . .	None	None	None
Angela Knight . . . . .	Director	Froggatt Trustee Limited	Yes
	Director	Provident Financial PLC	Yes
	Director	Taylor Wimpey PLC	Yes
	Director	Arbuthnot Latham & Co Limited	Yes
	Independent Board Member	Astana Financial Services Authority	Yes
	Board Member	Encore Capital Group Inc.	Yes
	Associate Chair	Goodacre UK Office of Tax Simplification	Yes (Resigned 18 March 2019)
	Director	Brewin Dolphin Holdings PLC	(Resigned 03 February 2017)
	Director	Brewin Dolphin Limited	(Resigned 03 February 2017)
	Director	Angelak Services Limited	(Resigned 01 November 2016)

Name	Position	Company/partnership	Position still held
	Director	Association of Independent Electricity Producers Limited	(Resigned 01 January 2015)
	Director	Association of Electricity Producers Limited	(Resigned 01 January 2015)
Edmund Ng . . . . .	Chief Investment Officer & Founder	Eastfort Asset Management	Yes
Roger Perkin . . . . .	Director	AIB Group (UK) PLC	Yes
	Director	Hargreaves Lansdown Plc	Yes
	Director	Bower Bequest Trustee Company Limited	Yes
	Trustee	Charities Aid Foundation	Yes
	Trustee	Chiddingstone Castle	Yes
	Director	CAF Nominees	Yes
	Trustee	The Conservation Volunteers	Resigned (23 March 2020)
	Director	Electra Private Equity PLC	Resigned (27 February 2019)
	Director	Nationwide Building Society	Resigned (21 July 2016)
	Director	Sova	Resigned (31 December 2016)
	Director	Friends Life Holdings Plc	Resigned (10 January 2015)
	Director	Friends Life Group Limited	Resigned (10 April 2015)
	Trustee	Change, Grow, Live	Resigned (31 December 2016)
	Director	Electra General Partner Number One Limited	In Liquidation
	Director	Electra Private Equity Investments PLC	Dissolved (28 March 2018)
	Director	Electra General Partner Number One Limited	In Liquidation
Michael Heaney . . . .	Chairman	Securities & Exchange Commission Fixed Income Market Structure Advisory Committee	Yes
Angela Crawford-Ingle . . . . .	Director	Ambre Limited	Yes
	Designated Member	Ambre Partners LLP	Yes
	Director	River and Mercantile Group plc	Yes
	Director	Openwork Holdings Limited	Yes
	Director	Lloyds of London	Yes
	Director	Beazley plc	Resigned (31 May 2019)
	Director	Swinton Group Limited	Resigned (31 December 2018)
Mark Hemsley . . . . .	Director	Belvedere Hill Limited	Yes
	Director	Fairhurst Investments Limited	Yes
	Director	Curve Global Limited	Resigned (01 January 2020)
	Director	Cboe Europe Limited	Resigned (01 January 2020)
	Director	Cboe Chi-X Europe Limited	Resigned (01 January 2020)
	Director	Cboe FX Europe Limited	Resigned (01 January 2020)
	Director	Cboe Worldwide Holdings Limited	Resigned (01 January 2020)
	Director	Cboe UK Limited	Resigned (01 January 2020)
	Director	Cboe Europe Indices Limited	Resigned (01 January 2020)
	Director	Fledermaus Limited	Dissolved (23 October 2018)
	Director	Cboe International Holdings Limited	Dissolved (17 December 2019)
Tracy Clarke . . . . .	Director	Greensill Capital Pty. Limited	Yes

Name	Position	Company/partnership	Position still held
	Director	TheCityUK	Resigned (31 December 2020)
	Director	All England Netball Association Ltd	Yes
	Director	Standard Chartered Bank UK	Resigned (31 December 2020)
	Director	Standard Chartered Holdings Limited	Resigned (31 December 2020)
	Director	Zodia Holdings Limited	Resigned (31 December 2020)
	Director	Zodia Custody Limited	Resigned (31 December 2020)
	Chair of the Board	Standard Chartered AG	Resigned (31 December 2020)
	Chair of the Supervisory Board	Standard Chartered Yatırım Bankası Türk A.Ş.	Resigned (31 December 2020)
	Director	Inmarsat Group Holdings Limited	Resigned (04 December 2019)
	Director	Sky plc	Resigned (09 October 2018)
	Trustee	Working for Youth	Dissolved (21 November 2017)
Kath Cates . . . . .	Director	United Utilities Group plc	Yes
	Director	RSA Insurance Group plc	Yes
	Director	Threadneedle Investment Services Limited	Yes
	Director	Threadneedle Pensions Limited	Yes
	Director	Threadneedle Asset Management Holdings Sarl	Yes
	Director	Brewin Dolphin Holdings plc	Yes (resigned with effect from February 2021)

**5.4** At the date of this document, save as described below, none of the Directors nor the Proposed Director has at any time within at least the past five years:

- (a) save as disclosed in this paragraph 5.3 of this Part XXIV, been director or partner of any companies or partnerships; or
- (b) had any convictions in relation to fraudulent offences (whether spent or unspent); or
- (c) been adjudged bankrupt or entered into an individual voluntary arrangement; or
- (d) been a director of any company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or
- (e) been a partner in a partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or
- (f) had his or her assets form the subject of any receivership or has been a partner of a partnership at the time of, or within 12 months preceding, any assets thereof being the subject of a receivership; or
- (g) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- (h) ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 6. Directors' Interests in the Company

**6.1** As at the Latest Practicable Date, except as disclosed in paragraph 6.2 of this Part XXIV, neither the Directors, the Proposed Director, nor any of their respective immediate families, will have any interests in the share capital of the Company which:

- (a) are required to be notified to the Company pursuant to the Market Abuse Regulation and Chapter 3 of the Disclosure Guidance and Transparency Rules; or
- (b) are interests of a connected person (within the meaning of Schedule 11B of FSMA) which would be required to be disclosed under paragraph (a) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director, as at the Latest Practicable Date.

**6.2** The following table sets out the interests of the Directors and the Proposed Director as at the Latest Practicable Date and immediately following completion of the Rights Issue:

Name	As at the Latest Practicable Date		Immediately following completion of the Rights Issue <sup>(1)</sup>	
	Number of Ordinary Shares	Percentage of Ordinary Shares (%)	Number of Ordinary Shares <sup>(2)</sup>	Percentage of Ordinary Shares <sup>(2)</sup> (%)
Richard Berliand . . . . .	75,000	0.01	105,000	0.01
Nicolas Breteau . . . . .	44,982	0.01	62,974	0.01
Robin Stewart . . . . .	33,710	0.01	47,194	0.01
Philip Price . . . . .	49,000	0.01	68,600	0.01
Angela Knight . . . . .	2,150	0.00	3,010	0.00
Edmund Ng . . . . .	20,000	0.00	28,000	0.00
Roger Perkin . . . . .	5,000	0.00	7,000	0.00
Michael Heaney . . . . .	40,000	0.01	56,000	0.01
Angela Crawford-Ingle . . . . .	9,716	0.00	13,602	0.00
Mark Hemsley . . . . .	—	—	—	—
Tracy Clarke . . . . .	10,000	0.00	14,000	0.00
Kath Cates . . . . .	—	—	—	—

**Notes:**

- (1) Assuming full take up by such persons of their entitlements under the Rights Issue and that all of the New Ordinary Shares are issued. The Directors may decide to acquire additional rights to New Ordinary Shares in the Rights Issue.
- (2) Assuming that no further Ordinary Shares are issued as a result of any options or awards under the Share Plans between the Latest Practicable Date and the date of completion of the Rights Issue.

**6.3** In addition to the interests in Ordinary Shares described in this paragraph 6 (Directors' Interests in the Company), certain of the Directors also have the following interests in Ordinary Shares as at 5 January 2021 (being the latest practicable date prior to publication of this Prospectus) as a result of their participation in the TP ICAP Share Schemes:

*LTIP*

Name	Date of Grant	Number of TP ICAP Ordinary Shares under option	Vesting Date	End of Retention Period
Nicolas Breteau . . . . .	26.06.2019	548,042	26.06.2022	26.06.2024
Nicolas Breteau . . . . .	30.03.2020	483,433	30.03.2023	30.03.2025
Robin Stewart . . . . .	26.06.2019	358,335	26.06.2022	26.06.2024
Robin Stewart . . . . .	30.03.2020	312,067	30.03.2023	30.03.2025
Philip Price . . . . .	26.06.2019	358,335	26.06.2022	26.06.2024
Philip Price . . . . .	30.03.2020	315,674	30.03.2023	30.03.2025



## Deferred Bonus Share Plan

Name	Date of Grant	Number of TP ICAP Ordinary Shares under option	Vesting Date	End of Retention Period
Nicolas Breteau . . . . .	20.06.2018	63,499	21.06.2021	21.06.2021
Nicolas Breteau . . . . .	29.03.2019	135,991	31.03.2022	31.03.2022
Nicolas Breteau . . . . .	30.03.2020	220,496	30.03.2023	30.03.2023
Robin Stewart . . . . .	20.06.2018	14,653	21.06.2021	21.06.2021
Robin Stewart . . . . .	29.03.2019	62,280	31.03.2022	31.03.2022
Robin Stewart . . . . .	30.03.2020	111,043	30.03.2023	30.03.2023
Philip Price . . . . .	20.06.2018	30,528	21.06.2021	21.06.2021
Philip Price . . . . .	29.03.2019	60,679	31.03.2022	31.03.2022
Philip Price . . . . .	30.03.2020	114,723	30.03.2023	30.03.2023

**6.4** The interests of the Directors and the Proposed Director together represent approximately 0.1 per cent. of the issued share capital of the Company as at the Latest Practicable Date and are expected to represent 0.1 per cent. of the issued share capital of the Company on completion of the Rights Issue (assuming full take up by such persons of their entitlements under the Rights Issue and that no further Ordinary Shares are issued as a result of any options or awards under the Share Plans between the Latest Practicable Date and the date of completion of the Rights Issue). The Directors may decide to acquire additional rights to New Ordinary Shares in the Rights Issue.

**6.5** Save as set out in this Part XXIV, no Director or Proposed Director has any interest in the share or loan capital of the Company and, save as provided under the Share Plans, there is no person to whom any capital of any member of the TP ICAP Group is under award or option or agreed unconditionally to be put under award or option.

**6.6** Neither the Directors nor the Proposed Director has any potential conflicts of interest between their duties to the Company and their private interests and/or their duties to third parties.

## 7. Significant Shareholders

**7.1** The following table sets out the name of each person (other than a Director) who, directly or indirectly, is interested in voting rights representing 3 per cent. or more of the total voting rights in respect of the Company's issued share capital, and the amount of such person's holding as at 5 January 2021, insofar as it is known to the Company by virtue of the notifications made pursuant to the Companies Act and/or Chapter 5 of the Disclosure Guidance and Transparency Rules, and immediately following completion of the Rights Issue:

Name	As at the Latest Practicable Date		Immediately following completion of the Rights Issue <sup>(1)</sup>	
	Number of Ordinary Shares	Percentage of Ordinary Shares (%)	Number of Ordinary Shares	Percentage of Ordinary Shares (%)
Schroders plc . . . . .	69,951,926	12.417	97,932,696	12.4
Jupiter Fund Management Plc . . . . .	49,866,777	8.852	69,813,487	8.9
Liontrust Asset Management . . . . .	28,534,751	5.070	39,948,651	5.1
Silchester International Investors LLP . . . . .	27,955,435	5.040	39,137,609	5.0

### Notes:

<sup>(1)</sup> Assuming that such persons are entitled to participate in the Rights Issue in respect of all of the Ordinary Shares in which they have a notifiable interest as set out against their names in the table above and they take up their entitlements in full.

**7.2** Save as disclosed in paragraph 7.1 of this Part XXIV, the Directors are not aware of any holdings of voting rights (within the meaning of Chapter 5 of the Disclosure Guidance and Transparency Rules) which will represent three per cent. or more of the total voting rights in respect of the issued share capital of the Company as at 5 January 2021 (being the Latest Practicable Date).

- 7.3 There are no differences between the voting rights enjoyed by the shareholder described in paragraph 7.1 of this Part XXIV and those enjoyed by any other holder of Ordinary Shares in the Company.
- 7.4 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

## 8. Remuneration and Benefits

### 8.1 Executive Directors' service contracts

Name	Contract date	Annual salary (£)	Term	Notice period
Nicolas Breteau	9 July 2018	670,000	n/a	12 months
Robin Stewart	9 July 2018	432,500	n/a	12 months
Philip Price	3 September 2018	437,500	n/a	12 months

The Executive Directors each have service contracts with TP ICAP which do not have a fixed term but which provide for termination on the expiry of not more than 12 months' notice by either party (save in circumstances justifying summary termination). The treatment of long-term incentive share awards or other share rights is governed by the relevant TP ICAP Share Plan or TP ICAP Share Plan. TP ICAP's Remuneration Committee may, at its sole discretion, permit a resigning Executive Director to retain a time pro-rated portion of their incentive bonus, reflecting the period of employment from the start of the performance period to the termination date. TP ICAP's Remuneration Committee may, at its sole discretion, award a resigning Executive Director a part-year bonus for the period worked if that Executive Director is deemed to be a "good leaver." To protect the TP ICAP Group's business interests, the service contracts contain covenants which restrict the Executive Directors' ability to deal with clients and their ability to solicit senior employees.

### 8.2 Non-Executive Directors' letters of appointment

The annual fee levels for the Non-Executive Directors for 2021 are expected to be as follows:

Name	Date of appointment	Base Fee	Committee Chair	Committee Member	Senior Independent Director	Overseas Attendance Allowance	Regional Engagement	Total
Richard Berliand	19 March 2019	300,000	n/a	n/a	n/a	n/a	n/a	300,000
Angela Knight <sup>(1)</sup>	1 September 2011	70,000	25,000	20,000	15,000	n/a	n/a	130,000
Edmund Ng <sup>(2)</sup>	1 November 2017	70,000	n/a	20,000	n/a	35,000	10,000	135,000
Roger Perkin <sup>(3)</sup>	1 July 2012	70,000	25,000	10,000	n/a	n/a	n/a	105,000
Michael Heaney <sup>(4)</sup>	15 January 2018	70,000	25,000	10,000	n/a	35,000	10,000	150,000
Angela Crawford-Ingle <sup>(5)</sup>	16 March 2020	70,000	n/a	20,000	n/a	n/a	n/a	90,000
Mark Hemsley	16 March 2020	70,000	n/a	10,000	n/a	n/a	10,000	90,000
Tracy Clarke <sup>(6)</sup>	1 January 2021	70,000	n/a	10,000	n/a	n/a	n/a	80,000
Kath Cates <sup>(7)</sup>	1 February 2021	70,000	n/a	20,000	n/a	n/a	n/a	90,000

Notes:

- (1) Angela Knight is expected to retire from the Board at the 2021 annual general meeting and her remuneration will be pro-rated accordingly.
- (2) Edmund Ng agreed a temporary suspension to his Overseas Attendance Allowance from 1 October 2020 until such time as Board and Board Committee meetings, and overseas travel to them, are once again normalised.
- (3) Roger Perkin is expected to retire from the Board at the 2021 annual general meeting and his remuneration will be pro-rated accordingly.
- (4) Michael Heaney is expected to step down as Interim Chair of the Risk Committee and expected to succeed Angela Knight as Senior Independent Director following the 2021 annual general meeting and his remuneration will be pro-rated accordingly. Michael Heaney also agreed a temporary suspension to his Overseas Attendance Allowance from 1 October 2020 until such time as Board and Board Committee meetings, and overseas travel to them, are once again normalised.
- (5) Angela Crawford-Ingle is expected to succeed Roger Perkin as Chair of the Audit Committee following the 2021 annual general meeting and her remuneration will be pro-rated accordingly.
- (6) Tracy Clarke is expected to succeed Angela Knight as Chair of the Remuneration Committee following the 2021 annual general meeting and her remuneration will be pro-rated accordingly.
- (7) Kath Cates will be appointed to the Board with effect from 1 February 2021 and is expected to be appointed as Chair of the Risk Committee following the 2021 annual general meeting and her remuneration will be pro-rated accordingly.

Non-Executive Directors have formal letters of appointment. The appointment of the Chairman is terminable on six months' notice. The letters of appointment of each of the other Non-Executive Directors contain a three month notice period.

Non-Executive Directors' appointments are not for a fixed term, but are terminable on the earliest of: (i) the director not being re-appointed at an Annual General Meeting of TP ICAP and, going forward, TP ICAP; (ii) removal as a director or being required to vacate office under the TP ICAP Articles, and, going forward, the TP ICAP Articles; or (iii) resignation at the request of the Board. Each of the Non-Executive Directors was elected or re-elected by shareholders at TP ICAP's 2020 Annual General Meeting except for Tracy Clarke and Kath Cates whose appointments were announced after the 2020 Annual General Meeting.

Non-Executive Directors receive a base fee for service on the TP ICAP Board and the Nominations & Governance Committee of the TP ICAP Board of £70,000 per annum, together with additional fees for chairmanship and membership of other committees of the TP ICAP Board. The Chairman's remuneration, which was £300,000 per annum as at 31 December 2020, is recommended by the Remuneration Committee of the TP ICAP Board and has been approved by the TP ICAP Board. Non-Executive Directors do not participate in any share option or share incentive schemes.

## **9. Share Plans**

### **9.1 TP ICAP Share Plans**

The following is a summary of the main provisions of the TP ICAP Share Plans.

TP ICAP operates the TP ICAP Long Term Incentive Plan, the TP ICAP Special Equity Award Plan and the TP ICAP Deferred Bonus Plan.

#### ***TP ICAP Long-Term Incentive Plan (the LTIP)***

The LTIP was adopted at the annual general meeting of the Company held on Wednesday 15 May 2019 and permits the grant of conditional share awards (**LTIP Awards**) over TP ICAP Ordinary Shares.

##### *Administration*

The LTIP is administered by the Remuneration Committee of the Board (the **Committee**).

##### *Eligibility*

Any employee (including an Executive Director) of the Company or any member of the TP ICAP Group is eligible to participate in the LTIP. The Committee will determine which employees will be granted LTIP Awards.

##### *LTIP awards*

LTIP Awards will normally be granted within forty-two days of the announcement of TP ICAP's results for any period or the lifting of any restrictions on dealing in TP ICAP Ordinary Shares. LTIP Awards may not be granted when dealing in TP ICAP Ordinary Shares is not permitted under any order or regulation to which TP ICAP is subject.

##### *Holding period*

The TP ICAP Ordinary Shares acquired on vesting of an LTIP Award may be subject to a holding period determined by the Remuneration Committee at the time of grant. During the holding period the Shares may not be transferred, assigned or disposed of without the written consent of the Remuneration Committee. Where a holding period applies the TP ICAP Ordinary Shares may be delivered to a nominee for the participant or into another arrangement determined by the Remuneration Committee. The Committee may, exceptionally, allow participants whose shares are subject to a holding period to sell, transfer, assign or dispose of some or all of these shares before the end of the holding period, subject to any additional terms and conditions that the Committee specifies.

##### *LTIP Award limits*

The Executive Directors may be granted an LTIP Award over the number of shares in TP ICAP equal in value at the time of grant to 250 per cent. of their base salary. The share price used to determine the number of shares is the average share price for the three days before the date of grant.

Grants made to other employees are approved by the Committee on recommendation from the Chief Executive Officer. The level of LTIP award is determined taking into a number of factors including, but not limited to, the

participant's salary, role and responsibilities and will not, other than in exceptional circumstances (such as the recruitment or retention of a key employee) exceed 200 per cent. of their base salary.

#### *Limit on the use of TP ICAP Ordinary Shares*

The Company may issue new shares or deliver treasury shares or shares purchased in the market to satisfy vesting of LTIP Awards.

In any ten calendar year period, the Company cannot issue (or grant rights to issue) more than: (i) 10 per cent. of the issued ordinary share capital of the Company under the LTIP and any other employees' share LTIP adopted by the Company; and (ii) 5 per cent. of the issued ordinary share capital of the Company under the LTIP and any other discretionary share LTIP adopted by the Company. Treasury shares will count as new issue shares for the purposes of these limits unless institutional investor guidelines provide that they need not count.

#### *Performance conditions*

The vesting of LTIP Awards is conditional on the satisfaction of objective performance conditions determined by the Committee and specified at the date of grant. The Committee may vary the performance conditions if an event occurs or circumstances arise which cause the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable, and materially no less difficult to satisfy than the original performance conditions.

#### *Vesting of awards*

LTIP Awards will normally vest on the third anniversary of their grant or, if later, when the Committee determines the extent to which the performance conditions have been satisfied and provided that the participant is still employed by the Company or any member of the TP ICAP Group.

#### *Dividend equivalents*

On vesting of an LTIP Award (or expiry of any holding period), a participant will, unless the Remuneration Committee determines otherwise, receive cash or further TP ICAP Ordinary Shares (at the discretion of the Remuneration Committee) equal in value, so far as is possible, to any dividends paid or payable on the TP ICAP Ordinary Shares between the date of grant of the LTIP Award until the date of vesting (or expiry of any holding period).

#### *Termination of employment*

If a participant ceases to be an employee or a director within the TP ICAP Group before vesting of an LTIP Award due to their death, ill health, injury, disability, sale of their employing company or business unit, or any other circumstances determined at the discretion of the Committee, their LTIP Award will vest on its original vesting date or any earlier date the Committee determines.

An LTIP Award will vest in these situations to the extent to which the performance conditions are satisfied over the performance period and subject to any reduction in the size of the LTIP Award that the Committee determines is appropriate taking into account the period the participant was employed during the normal vesting period and any other factors it considers appropriate.

Alternatively, if a participant ceases to be an employee or director within the TP ICAP Group for one of the 'good leaver' reasons specified above (including a discretionary good leaver), the Committee can, exceptionally, decide that their LTIP Award will vest on cessation to the extent that the performance conditions are satisfied at that time and subject to any reduction in the size of the LTIP Award the Committee determines is appropriate taking into account the period the participant was employed during the normal vesting period and any other factors it considers appropriate.

If a participant ceases to hold employment or be a director within the TP ICAP Group for any other reason their LTIP Award will lapse immediately on cessation.

#### *Corporate events*

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all LTIP Awards will vest at the time of the relevant event, subject to: (i) the extent that the performance conditions have been satisfied at that time; (ii) any reduction in the size of LTIP Awards the Committee

determines appropriate having regard to time elapsed in the normal vesting period; and (iii) any other factors the Committee considers appropriate.

In the event of an internal corporate reorganisation LTIP Awards will be replaced with equivalent new awards over shares in a new holding company, unless the Committee decides that LTIP Awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of shares to a material extent, the Committee may decide that LTIP Awards will vest on the basis which would apply in the case of a takeover.

#### *Participants' rights*

LTIP Awards will not confer any shareholder rights until the LTIP Awards have vested and the participants have received their TP ICAP Ordinary Shares. LTIP Awards are not pensionable benefits and may not be transferred, assigned, charged or otherwise disposed of to any person other than to a personal representative on the death of a participant. No consideration is payable by participants on the grant of an LTIP Award. Any TP ICAP Ordinary Shares acquired when an LTIP Award vests will rank equally with TP ICAP Ordinary Shares then in issue (except for rights arising by reference to a record date before their acquisition).

#### *Variation of capital*

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the shares, the Committee may make such adjustment as it considers appropriate to the number of shares subject to an LTIP Award.

#### *Malus and clawback*

The Committee may reduce the number of shares subject to an LTIP Award (including to nil) or require a participant to repay an amount received in respect of an LTIP Award if, during the performance period, or not later than three years after the vesting of an LTIP Award it determines that there has been: (i) a material misstatement in the published results of the Company; (ii) a serious financial irregularity in relation to any member of the TP ICAP Group; (iii) a material misstatement of the Company's financial performance; (iv) a material error of calculation of any performance condition (including on account of inaccurate or misleading information); (v) an event which has caused or is likely to cause material reputational damage to any member of the TP ICAP Group; (vi) a material failure in risk management; or (vii) the participant has been guilty of serious misconduct injurious to the business, reputation or integrity of the TP ICAP Group.

The recovery of any amount from a participant may be satisfied by way of a reduction in the amount of any future annual bonus, unvested awards or future awards held under any incentive plan operated by the Company and/or a requirement to make a cash payment.

#### *Amendments to the LTIP*

The Committee may, at any time, amend the LTIP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of LTIP awards.

The requirement to obtain the prior approval of shareholders does not apply to any minor alteration made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the TP ICAP Group. Shareholder approval is also not required for any amendments to any performance condition applying to an award varied in accordance with its terms.

No alteration to the material disadvantage of a participant's existing LTIP Awards may be made without the prior consent of the majority of the impacted participants.

The LTIP will terminate on 25 June 2029, unless previously terminated by the Board.

#### ***TP ICAP Special Equity Award Plan (the SEAP)***

The SEAP was approved by the Committee on 4 March 2020 and permits the grant of conditional share awards (**SEAP Awards**) only over existing, issued TP ICAP Ordinary Shares.

### *Administration*

The SEAP is administered by the Committee.

### *Eligibility*

All employees within the TP ICAP Group other than executive directors of TP ICAP are eligible to participate in the SEAP. The Remuneration Committee and the Chief Executive Officer will determine which employees will be granted SEAP Awards.

### *Grant of SEAP Awards*

SEAP Awards may be granted at any time that the Remuneration Committee thinks appropriate, but SEAP Awards may not be granted when dealing in TP ICAP Ordinary Shares is not permitted under any order or regulation to which TP ICAP is subject. Grants of SEAP Awards are approved by the Remuneration Committee, on recommendation from the Chief Executive Officer. The level of a SEAP Award is determined taking into a number of factors including, but not limited to, the participant's salary, role and responsibilities.

### *Vesting conditions*

SEAP Awards are made subject to the satisfaction of conditions determined by the Committee and specified at the time of grant (the **Conditions**). The Committee will determine whether and to what extent any Condition has been met.

### *Vesting of awards*

SEAP Awards will normally vest on the third anniversary of their date of grant and to the extent any Condition has been met. A SEAP Award will normally only vest if the participant is still employed by a member of the TP ICAP Group. The Remuneration Committee may determine that a participant will receive a cash payment equal to the market value of the TP ICAP Ordinary Shares in respect of which a SEAP Award vests.

### *Dividend equivalents*

On vesting of a SEAP Award, a participant will receive cash equal in value, so far as is possible, to any dividends paid or payable on the TP ICAP Ordinary Shares in relation to which a SEAP Award vests between the date of grant of the SEAP Award and the date of vesting.

### *Termination of employment*

If a participant ceases to be an employee within the TP ICAP Group due to injury, ill health, disability, sale of their employing company or business unit, their SEAP Award will vest on its original vesting date subject to satisfaction of the Conditions. An SEAP Award held by a participant who dies will vest in full on the date of the participant's death and the shares will be delivered to the participant's personal representatives.

If a participant ceases to hold employment within the TP ICAP Group in any other circumstance their SEAP Award will lapse immediately on cessation.

### *Corporate events*

All SEAP Awards will vest in full in the event of a takeover (not being an internal corporate reorganisation) unless the Committee determines, with the consent of the acquiring company, that SEAP awards will be replaced with equivalent new awards over shares in the acquiring company or another company,

All SEAP Awards will vest in full in the event of a winding up of the Company (not being for the purpose of an internal corporate reorganisation).

In the event of an internal corporate reorganisation SEAP Awards will be replaced with equivalent new awards over shares in a new holding company.

### *Participants' rights*

SEAP Awards will not confer any shareholder rights until the SEAP Awards have vested and the participants have received their TP ICAP Ordinary Shares. SEAP Awards are not pensionable benefits and may not be transferred, assigned, charged or otherwise disposed of to any person (other than to a personal representative on the death of a participant). No consideration is payable by participants on the grant of a SEAP Award. Any TP

ICAP Ordinary Shares acquired when a SEAP Award vests will rank equally with TP ICAP Ordinary Shares then in issue (except for rights arising by reference to a record date before their acquisition).

#### *Variation of capital*

In the event of any variation of the Company's share capital or in the event of a demerger or similar event the Committee may make such adjustment as it considers appropriate to a SEAP Award to maintain its economic value.

#### *Malus and clawback*

The Committee may reduce the number of shares subject to a SEAP Award (including to nil) or require a participant to repay an amount received in respect of a SEAP Award if, during the performance period, or not later than three years after the vesting of a SEAP Award it determines that: (i) the Company materially misstated its financial results; (ii) there is reasonable evidence of misbehaviour or material error by the Participant (including where the Participant participated in or was responsible for conduct which resulted in significant losses to the Company, or where the Participant failed to meet appropriate standards of fitness and propriety); (iii) there is a material failure of risk management in the Company or the business unit in which the Participant is employed of which the Participant knew or should have known; (iv) the Participant has failed to meet the Conditions or any of the Conditions or it becomes clear to the Committee that the Conditions or any of the Conditions cannot be satisfied; (v) circumstances arose (or continued to exist or arise) during the vesting period of an award which would have warranted the summary dismissal of the Participant; or (vi) any other circumstance in which the Company is required to operate malus under the Remuneration Code has arisen.

The recovery of any amount from a participant may be satisfied by way of a reduction in the amount of any future annual bonus, unvested awards or future awards held under any incentive plan operated by the Company and/or a requirement to make a cash payment.

#### *Alterations to the SEAP*

The Board may amend the rules of the SEAP, provided that no alteration to the material disadvantage of a participant as to existing SEAP Awards may be made without the written consent of participants who hold SEAP Awards to acquire 75 per cent. of the TP ICAP Ordinary Shares which would be delivered if all the SEAP Awards granted and subsisting vested, or by resolution of a meeting of participants passed by at least 75 per cent. of the participants who attend and vote.

The SEAP will terminate on the tenth anniversary of the date of adoption, unless previously terminated by the Board.

#### *Overseas SEAP*

The Board may establish additional schedules of the SEAP to operate the SEAP outside the UK. A schedule may vary the rules of the SEAP to take account of any securities, exchange control or taxation laws or regulations in an overseas jurisdiction.

#### ***TP ICAP Deferred Bonus Plan (the DBP)***

The DBP was approved by the Committee on 4 March 2020 and permits the grant of conditional share awards (DB Awards) over existing, issued TP ICAP Ordinary Shares.

#### *Administration*

The DBP is administered by the Committee.

#### *Eligibility*

All employees within the TP ICAP Group other than executive directors of TP ICAP are eligible to participate in the DBP.

#### *Grant of DB Awards*

DB Awards will normally be granted only after bonuses for the previous financial period have been determined and within forty-two days of: (i) the announcement of the TP ICAP's results for any period; (ii) a general meeting of TP ICAP; or (iii) the lifting of any restrictions on dealing in TP ICAP Ordinary Shares. DB Awards

may be granted at other times if the Remuneration Committee determines that there are exceptional circumstances. DB Awards may not be granted when dealing in TP ICAP Ordinary Shares is not permitted under any order or regulation to which the TP ICAP is subject.

#### *Level of grant*

An employee who has been awarded a bonus and who is selected to participate in the DBP will be required to defer and receive in the form of a DB Award the percentage of the awarded bonus determined by the Committee. The DB Award will be over the whole number of Shares that can be acquired, net of any acquisition costs, with the amount of the participant's gross bonus deferred.

#### *Vesting of awards*

DB Awards will normally vest on the third anniversary of their date of grant. A DB Award will normally only vest if the participant is still employed by a member of the TP ICAP Group. The Remuneration Committee may determine that a participant will receive a cash payment equal to the market value of the TP ICAP Ordinary Shares in respect of which the DB Award vests.

#### *Dividend equivalents*

On vesting of a DB Award, a participant will receive cash equal in value, so far as is possible, to any dividends paid or payable on the TP ICAP Ordinary Shares between the date of grant of the DB Award and the date of vesting.

#### *Termination of employment*

If a participant ceases to be an employee within the TP ICAP Group due to: injury, ill-health, disability, redundancy, mutual agreement with their employer, sale of their employing company or business unit, their DB Award will vest on its original vesting date. A DB Award held by a participant who dies will vest in full on the date of the participant's death and the shares will be delivered to the participant's personal representatives.

If a Participant's Employment is terminated under the Company's disciplinary procedure for gross misconduct before the normal vesting date of a DB Award, the participant's DB award will be forfeited and lapse in full immediately.

A DB Award granted to a participant who resigns: (a) before the first anniversary of the date of grant of the DB Award will be forfeited in full; or (b) after the first anniversary of the date of grant but before the second anniversary of the date of grant will be forfeited as to 67 per cent. of the shares subject to the DB Award immediately. The remaining 33 per cent. of the shares will vest on the normal vesting date of the DB Award; or (c) after the second anniversary of the date of grant but before the normal vesting date will be forfeited as to 34 per cent. of the shares subject to the DB Award immediately. The remaining 66 per cent. of the shares will vest on the normal vesting date of the DB Award, provided that, in respect of (b) and (c) above, as at the normal vesting date: (i) the participant has not become employed by or otherwise engaged to provide services to a competitor; and (ii) no circumstances have come to light that would have justified the participant's dismissal for gross misconduct.

#### *Corporate events*

All DB Awards will vest in full in the event of a takeover (not being an internal corporate reorganisation) unless the Committee determines, with the consent of the acquiring company, that DB Awards will be replaced with equivalent new awards over shares in the acquiring company or another company,

All DB Awards will vest in full in the event of a winding up of the Company (not being for the purpose of an internal corporate reorganisation).

In the event of an internal corporate reorganisation DB Awards will be replaced with equivalent new awards over shares in a new holding company.

#### *Participants' rights*

DB Awards settled in TP ICAP Ordinary Shares will not confer any shareholder rights until the DB Awards have vested and the participants have received their TP ICAP Ordinary Shares. DB Awards are not pensionable benefits and may not be transferred, assigned, charged or otherwise disposed of to any person other than to a personal representative on the death of a participant. No consideration is payable by participants on the grant of



a DB Award. Any TP ICAP Ordinary Shares acquired when a DB Award vests will rank equally with TP ICAP Ordinary Shares then in issue, except for rights arising by reference to a record date before their acquisition.

#### *Variation of capital*

In the event of any variation of the Company's share capital or in the event of a demerger or similar event the Committee may make such adjustment as it considers appropriate to a DB Award to maintain its economic value.

#### *Malus and clawback*

The Committee may reduce the number of shares subject to a DB award (including to nil) or require a participant to repay an amount received in respect of a DB Award if, during the performance period, or not later than three years after the vesting of a DB Award it determines that: (i) the Company materially misstated its financial results; (ii) there is reasonable evidence of misbehaviour or material error by the Participant (including where the Participant participated in or was responsible for conduct which resulted in significant losses to the Company, or where the Participant failed to meet appropriate standards of fitness and propriety); (iii) there is a material failure of risk management in the Company or the business unit in which the Participant is employed of which the Participant knew or should have known; (iv) circumstances arose (or continued to exist or arise) during the vesting period of an award which would have warranted the summary dismissal of the Participant; or (v) any other circumstance in which the Company is required to operate malus under the Remuneration Code has arisen.

The recovery of any amount from a participant may be satisfied by way of a reduction in the amount of any future annual bonus, unvested awards or future awards held under any incentive plan operated by the Company and/or a requirement to make a cash payment.

#### *Alterations to the DBP*

The Board may amend the rules of the DBP, provided that no alteration to the material disadvantage of a participant as to existing DB Awards may be made without the written consent of participants who hold DB Awards to acquire 75 per cent. of the TP ICAP Ordinary Shares which would be delivered if all the DB Awards granted and subsisting vested, or by resolution of a meeting of participants passed by at least 75 per cent. of the participants who attend and vote.

The DBP will terminate on the tenth anniversary of the date of adoption, unless previously terminated by the Board.

The Board may establish additional schedules of the DBP to operate the DBP outside the UK. A schedule may vary the rules of the DBP to take account of any securities, exchange control or taxation laws or regulations in an overseas jurisdiction.

## **10. Dividend History**

<u>Payment date</u>	<u>Amount per share (pence)</u>	<u>Ex-dividend date</u>	<u>Record date</u>	<u>DRIP<sup>(1)</sup></u>	<u>DRIP<sup>(1)</sup> share price (pence)</u>	<u>DRIP<sup>(1)</sup> share purchase date</u>
06/11/20 . . . . .	5.6	01/10/20	02/10/20	Yes	2.047	06/11/2020
19/05/20 . . . . .	11.25	02/04/20	03/04/20	Yes	3.628	19/05/2020
08/11/19 . . . . .	5.6	03/10/19	04/10/19	Yes	372.5	08/11/19
21/05/19 . . . . .	11.25	04/04/19	05/04/19	Yes	276.3	22/05/19
09/11/18 . . . . .	5.6	04/10/18	05/10/18	Yes	2.97	12/11/18
17/05/18 . . . . .	11.25	05/04/18	06/04/18	Yes	4.41828	17/05/18
10/11/17 . . . . .	5.6	12/10/17	13/10/17	Yes	4.867717	10/11/17
13/01/17 . . . . .	11.25	22/12/16	23/12/16	No	—	—

Notes:

- (1) TP ICAP offers a Dividend Reinvestment Plan (the **DRIP**) which gives shareholders the opportunity to use their dividend to purchase further TP ICAP Ordinary Shares and New TP ICAP Ordinary Shares, respectively. TP ICAP Shareholders receive as many whole shares as can be bought with their dividend, taking into account any costs of the DRIP. Any residual money left, after purchasing the shares out of the dividend payment, will be added to the next dividend payment.

## 11. Pension Schemes

Details of the TP ICAP Group's pension schemes are set out in Note 37 of the Notes to the TP ICAP 2019 Financial Statements on page 172 of the TP ICAP 2019 Annual Report, which is hereby incorporated by reference into this document.

## 12. Undertakings

The Company is the principal operating and holding company of the TP ICAP Group. The subsidiary undertakings of the Company are set out on pages 140 and 141 of the TP ICAP 2019 Annual Report, as included in Part VI: "Information Incorporated by Reference" of this document.

### Properties, Plant and Equipment

The TP ICAP Group has the following principal properties:

Location	Tenure	Utilisation
Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ, United Kingdom . . . . .	Existing lease expires on 11 December 2023	Offices
Level 2 and part of Level 3, 155 Bishopsgate, London EC2M 3YX, United Kingdom . . . . .	Existing lease expires on 3 October 2025 Rolling expiry date aligned to the occupation of 135 Bishopsgate, London EC2	Offices
2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> , 9 <sup>th</sup> and 11 <sup>th</sup> floors, 135 Bishopsgate, London EC2M 3UR, United Kingdom . . . . .	Existing lease expires on 26 January 2035	Offices
1-2 Broadgate, London EC2M 7UP, United Kingdom . . . . .	Existing lease expired on 31 August 2020 Rolling expiry date aligned to the occupation of 135 Bishopsgate London EC2	Offices
City Quays 2, Clarendon Dock, Belfast, BT1 3BG, United Kingdom . . . . .	Existing lease expires on 19 November 2027	Offices
10 Bressenden Place, Verde, London SW1E 5DH, United Kingdom . . . . .	Existing lease expires on 4 October 2034	Offices
117 Jermyn Street, London SW1Y 6HH, United Kingdom . . . . .	Existing lease expires on 23 November 2021	Offices
10 <sup>th</sup> Floor, Paseo de la Castellana no. 95, Madrid-Edificio Torre Europa, Spain . .	Existing lease expires on 23 November 2021	Offices
Rue du Faubourg Saint-Honoré, 89/91, Paris Saint-Honoré, France . . . . .	Office owned	Offices
333 Thornall Street, 10 <sup>th</sup> Floor, Edison, New Jersey, NJ 08837, United States . . . . .	Existing lease expires 31 October 2025	Offices
23rd and 24th Floors, 101 Hudson Street, Jersey City, New Jersey, United States . . . . .	Existing lease expires on 30 November 2023	Offices
12th, 101 Hudson Street, Jersey City, New Jersey, United States . . . . .	Existing lease expires on 31 August 2033	Offices
17th Floor and part of 16th Floor, 199 Water Street, New York, NY 10038, United States . . . . .	Existing lease expires on 31 December 2026	Offices
200 Vesey Street, 5 <sup>th</sup> Floor, New York, NY 10285, United States . . . . .	Existing lease expires on 30 December 2026	Offices
9931 Corporate Campus Dr, Suite, 3000, Louisville, KY 40223, United States . . . .	Existing lease expires on 31 March 2023	Offices
5177 Richmond Ave, Suite, 500 & 590, Houston, Texas TX77056, United States . . . . .	Existing lease expires on 30 November 2025	Offices
1 Hennessey Road, 20 <sup>th</sup> & 21 <sup>st</sup> Floor, One Hennessey Building, Hong Kong . . . . .	Existing lease expires on 29 February 2024	Offices

<u>Location</u>	<u>Tenure</u>	<u>Utilisation</u>
Level 27 & 29, 9 Castlereagh Street, Sydney, Australia . . . . .	Existing lease expires on 31 August 2022	Offices
50 Raffles Place, Singapore—Land Tower#38-05-39#-01/06, #40-06,341-01/06#42-04, Singapore . . . . .	Existing lease expires on 30 August 2023	Offices

#### **14. Underwriting Arrangements**

On 7 January 2021, the Company, New TP ICAP and the Underwriters entered into the Underwriting Agreement, pursuant to which the Company has appointed HSBC Bank plc as sole sponsor and sole global co-ordinator, and Merrill Lynch International, JP Morgan and Peel Hunt LLP as joint bookrunners in connection with the Rights Issue.

Subject to the terms and conditions of the Underwriting Agreement, the Underwriters (as agents for and on behalf of the Company) have undertaken severally to use their reasonable endeavours to procure subscribers for any New Ordinary Shares which have not been taken up under the Rights Issue as soon as reasonably practicable and in any event by not later than 5.00 p.m. on the second Dealing Day after the last date for acceptance under the Rights Issue, for an amount which is not less than the total of the Rights Issue Price multiplied by the number of such New Ordinary Shares for which subscribers are so procured plus the expenses of procurement (including any applicable brokerage and commissions and amounts in respect of irrecoverable VAT). If and to the extent that the Underwriters are unable to procure subscribers on the basis outlined above, the Underwriters have agreed to subscribe for (or procure subscriber(s) for), on a several basis (in their due proportions), any remaining New Ordinary Shares.

In consideration of their services provided under the Underwriting Agreement, and provided that the Underwriting Agreement becomes wholly unconditional and is not terminated in accordance with its terms before Admission, the Company shall pay the Underwriters an aggregate base commission of 1.5 per cent. of the amount equal to the product of the Rights Issue Price multiplied by the aggregate number of New Ordinary Shares (plus any applicable VAT). Out of such commission the Underwriters shall pay or procure the payment of any sub-underwriting commissions payable to such persons (if any) as the Underwriters may procure to subscribe for New Ordinary Shares. The Company will also pay (irrespective of whether Admission occurs) the fees, costs and expenses of, or in connection with, the Rights Issue.

The Company may, at its sole discretion, also pay the Underwriters (or any of them) a further discretionary commission of up to 0.2 per cent. of the amount equal to the product of the Rights Issue Price multiplied by the aggregate number of New Ordinary Shares.

The obligations of the Underwriters under the Underwriting Agreement are conditional on certain conditions customary in agreements of this type, including, among others:

- (a) the passing of the Resolution at the General Meeting;
- (b) Admission occurring not later than 8.00 a.m. on 2 February 2021 (or such later time and/or date as the Company and the Sole Global Co-ordinator may agree (being not later than 9 February 2021));
- (c) the delivery of certain documents to the Sponsor and the Underwriters by the times and dates specified in the Underwriting Agreement;
- (d) the Company having complied with its obligations under the Underwriting Agreement and under the terms of the Rights Issue, save to the extent that, in the opinion of the Sole Global Co-ordinator (on behalf of the Underwriters) acting in good faith, would not be material in the context of the Rights Issue, the underwriting of the New Ordinary Shares or Admission;
- (e) the warranties on the part of the Company under the Underwriting Agreement being true, accurate and not misleading on the date of the Underwriting Agreement, the date of this document and immediately before Admission;
- (f) the Acquisition Agreement remaining in full force and effect and not having been terminated, having lapsed or ceased to be capable of completion in accordance with its terms, prior to Admission;
- (g) no event requiring a supplement to this document having arisen between the time of publication of this document and Admission and no such supplementary prospectus being published by or on behalf of the Company before Admission, which the Sole Global Co-ordinator in its opinion (acting in good faith), considers to be material in the context of the Rights Issue; and

- (h) in the opinion of the Sole Global Co-ordinator (acting in good faith), no material adverse change having occurred in respect of the TP ICAP Group at any time prior to Admission (whether or not foreseeable at the date of the Underwriting Agreement).

Under the Underwriting Agreement, the Company has given certain customary (for a transaction of this nature) representations, warranties and undertakings to the Underwriters concerning, among other things, the accuracy of the information in this document, and in relation to other matters relating to the TP ICAP Group and its business. The Company has also given a customary indemnity to the Underwriters, liability in respect of which is unlimited as to time and amount. On the Scheme Effective Date, New TP ICAP will assume on a joint and several basis with the Company all the obligations and liabilities of the Company pursuant to the Underwriting Agreement, including the indemnity to the Underwriters.

Each of the Company and New TP ICAP has undertaken that (subject to certain limited exceptions) it will not, for a period of 180 days from the date for settlement of the Underwriters' payment obligations under the Underwriting Agreement without the prior written consent of the Sole Global Co-ordinator (on behalf of the Underwriters), directly or indirectly offer, issue or grant any rights over any Ordinary Shares or related securities.

The Underwriting Agreement can be terminated at any time on or prior to Admission by the Sole Global Co-ordinator (on behalf of the Underwriters) giving notice to the Company in certain circumstances, including, among other things, where (a) any of the conditions in the Underwriting Agreement are not satisfied (or, where permitted, waived, by the Sole Global Co-ordinator (on behalf of the Underwriters)) at the required times, (b) where the Company fails to comply in any material respect with any of its obligations under the Underwriting Agreement or under the terms of the Rights Issue, or (c) in the event of certain changes in financial, political or economic conditions. Following Admission, the Underwriting Agreement will not be subject to any condition or right of termination (including with respect to statutory withdrawal rights).

## **15. TP ICAP's Material Contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by a member of the TP ICAP Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by any member of the TP ICAP Group and contain provisions under which any member of the TP ICAP Group has an obligation or entitlement which is, or may be, material to the TP ICAP Group at the date of this document:

### **15.1 Underwriting Agreement for the Rights Issue**

For a description of the principal terms of the Underwriting Agreement, see paragraph 13 of this Part XXIV.

### **15.2 Acquisition Documents**

For a description of the principal terms of the Acquisition Agreement, see paragraph 5 of Part VII: *"Information on the acquisition and the rights issue."*

For a description of the principal terms of the Loan Notes, see Part 3 of the Circular.

### **15.3 Banking Facilities**

#### **Syndicated Multicurrency Revolving Credit Facility Agreement**

TP ICAP entered into a facilities agreement (the **Facilities Agreement**) in respect of its £270 million multicurrency Revolving Credit Facility (split between Facility A of £245 million which is made available to TP ICAP and Facility B of £25 million which is made available to the UK regulated entities in the TP ICAP Group) and a \$100 million swingline facility which forms part of Facility A (the **Swingline Loans**) dated 19 December 2018 as a borrower with (i) Bank of America Europe DAC, HSBC Bank plc, Lloyds Bank Corporate Markets plc and Sumitomo Mitsui Banking Corporation London Branch as bookrunners and mandated lead arrangers with AIB Group (UK) p.l.c. as lead arranger, (ii) Bank of America Europe DAC, HSBC Bank plc, Lloyds Bank Corporate Markets plc, Sumitomo Mitsui Banking Corporation London Branch and AIB Group (UK) p.l.c as original lenders, (iii) Bank of America Europe DAC as document coordinator and facility agent, and (iv) Bank of America, N.A. as swingline facility agent. Pursuant to the terms of a supplemental agreement and amended facilities agreement, New TP ICAP is expected to accede to the Facilities Agreement as a guarantor or on before the Scheme Effective Date.

### ***Purpose***

Facility A of the Revolving Credit Facility is made available for (i) general corporate purposes of the TP ICAP 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. Facility B of the Revolving Credit Facility is made available for the general corporate purposes of the regulated entities.

### ***Interest and fees***

The Facilities Agreement contains customary provisions relating to interest and fees chargeable.

The rate of interest payable on borrowings under the Revolving Credit Facility is the aggregate of LIBOR (or, in relation to any loan denominated in euro, EURIBOR) and an applicable margin equal to 2 per cent. per annum. TP ICAP 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 during its term the higher of, the prime commercial lending rate in U.S. 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 U.S. Federal Reserve System, published by the 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. TP ICAP may select the interest period of no more than five New York Business Days for a Swingline Loan in the relevant request for that loan.

Certain fees and expenses, including the facility agent's fee, the swingline agent's fee, the arrangement fee, the Revolving Credit Facility commitment fee, the document coordination fee and the Revolving Credit Facility utilisation fee, are also payable.

### ***Repayment***

Each loan made under the Revolving Credit Facility is repayable on the last day of its interest period but, subject to the terms of the Facilities Agreement, may be re-borrowed.

### ***Mandatory and voluntary prepayment***

The Facilities Agreement allows for voluntary prepayments and requires mandatory prepayments in full in certain circumstances, including in the event of a change of control. A change of control occurs where (i) there is a change of TP ICAP (other than as a result of a corporate reorganisation which retains the same ultimate shareholders of the TP ICAP Group), or (ii) where TP ICAP ceases to hold (directly or indirectly) 100 per cent. of the issued share capital of any Facility B Borrower. It is intended that the change of control provisions are updated in the Revolving Credit Facility amendment and restatement such that a change of control will occur if (i) there is a change of control of TP ICAP, (ii) if TP ICAP ceases to hold (directly or indirectly) 100 per cent. of the issued share capital of any Facility B Borrower, or (iii) if TP ICAP (or any replacement parent company of the TP ICAP Group) ceases to hold (directly or indirectly) 100 per cent. of the issued share capital of TP ICAP. It is anticipated that the Revolving Credit Facility amendment and restatement will occur once the group re-organisation and Scheme Effective Date occurs.

### ***Representations, warranties and undertakings***

The Facilities Agreement contains certain customary representations and warranties. It requires TP ICAP 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 TP ICAP 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.

### ***Final maturity***

The final date of the Facilities Agreement is 19 December 2023. Each outstanding loan shall be repaid on the final maturity date.

### ***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.

### ***Covenants***

The Facilities Agreement contains certain covenants, being:

- a) Leverage: TP ICAP must ensure that consolidated total net borrowings do not, at the end of each relevant measurement period, exceed 2.5:1 times consolidated EBITDA for such measurement period; and
- b) Interest Cover: TP ICAP must ensure that the ratio of consolidated EBIT to consolidated net interest payable is not, in respect of each relevant measurement period, less than 4.0:1.

The measurement period is the 12-month period ending on the last day of TP ICAP's financial year or financial half-year.

### ***Revolving Credit Facility Agreement—Tokyo Tanshi***

TP ICAP entered into a facilities agreement (the **Tokyo Tanshi Facilities Agreement**) in respect of a JPY10 billion revolving credit facility (the **Tokyo Tanshi RCF**) dated 27 August 2020 with Tokyo Tanshi as the original lender. The Tokyo Tanshi RCF contains an accession mechanic such that New TP ICAP shall accede to the Tokyo Tanshi RCF as a guarantor on or before the Scheme Effective Date.

### ***Purpose***

The facility is made available for the general corporate purpose of the TP ICAP Group, including acquisitions.

### ***Interest and fees***

The Tokyo Tanshi Facilities Agreement contains customary provisions relating to interest and fees chargeable.

The rate of interest payable on borrowings under the Tokyo Tanshi RCF is the aggregate of TIBOR and an applicable margin equal to 1.6 per cent. per annum. TP ICAP may select the relevant interest period by notification to the lender and each interest period of six months or less is agreed by the borrower and lender.

Certain fees and expenses including the arrangement fee and the Tokyo Tanshi RCF commitment fee are also payable.

### ***Repayment***

Each loan made under the Tokyo Tanshi RCF is repayable on the last day of its interest period but, subject to the terms of the Tokyo Tanshi Facilities Agreement, may be re-borrowed.

### ***Mandatory and voluntary prepayment***

The Tokyo Tanshi Facilities Agreement allows for voluntary prepayments and requires mandatory prepayments in full in certain circumstances, including in the event of a change of control. A change of control occurs where (i) before the scheme effective date occurs, any person or group of persons acting in concert gains control of TP ICAP; (ii) on and from the scheme effective date, any person or group of persons acting in concert gains control of the guarantor; or (iii) on and from the scheme effective date, the guarantor (or any replacement parent company of the Group) ceases to hold (directly or indirectly) 100 per cent. of the issued share capital of TP ICAP.

### ***Representations, warranties and undertakings***

The Tokyo Tanshi Facilities Agreement contains certain customary representations and warranties. It requires TP ICAP to comply with certain negative covenants, including covenants relating to creation of security, financial indebtedness, disposals, acquisitions and change in business. In addition, the Tokyo Tanshi Facilities Agreement requires TP ICAP to maintain specified financial ratios in relation to consolidated total net borrowings to consolidated EBITDA, and consolidated EBIT to consolidated net interest payable. The Tokyo Tanshi Facilities Agreement also contains certain customary affirmative undertakings including, amongst

others, undertakings in relation to delivery of financial statements, compliance with laws, and *pari passu* ranking.

#### ***Final maturity***

The final date of the Tokyo Tanshi Facilities Agreement is 27 August 2022, subject to an extension option whereby every six month anniversary, and subject to both parties' agreement, the final maturity date may be extended a further six months. Each outstanding loan shall be repaid on the final maturity date (being either 27 August 2022 or the date on which the facilities agreement is eventually extended to).

#### ***Events of default***

The Tokyo Tanshi 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.

#### ***Covenants***

The Tokyo Tanshi Facilities Agreement contains certain covenants,

- a) Leverage: TP ICAP must ensure that consolidated total net borrowings do not, at the end of each relevant measurement period, exceed 2.5:1 times consolidated EBITDA for such measurement period; and
- b) Interest Cover: TP ICAP must ensure that the ratio of consolidated EBIT to consolidated net interest payable is not, in respect of each relevant measurement period, less than 4.0:1.

The measurement period is the 12-month period ending on the last day of TP ICAP's financial year or financial half-year.

### **15.4 Notes issued under the £1 billion Euro Medium Term Note Programme**

On 26 January 2017, TP ICAP issued £500 million 5.250 per cent. Notes due 2024 (the **2024 Notes**) under its £1 billion Euro Medium Term Note Programme (the **EMTN Programme**). As of the date of this Prospectus, £431 million of the 2024 Notes are outstanding following a £69 million buy back in 2019.

On 29 May 2019, TP ICAP issued £250 million 5.250 per cent. Notes due 2026 (the **2026 Notes**, and, together with the 2024 Notes, the **EMTN Notes**) under the EMTN Programme.

The EMTN Notes are governed by English law and their terms and conditions contain a negative pledge and events of default which are customary for euro medium term notes. Under the terms of the EMTN Notes, the interest rates payable thereon would increase by 1.250 per cent. per annum during any interest period if, at the start of such interest period, if TP ICAP is not maintaining an investment-grade credit rating in respect of the EMTN Notes. As of the date of this Prospectus, TP ICAP is maintaining an investment-grade credit rating (BBB- by Fitch).

### **15.5 Standby Underwriting Letter for the Rights Issue**

On 9 October 2020, the Company entered into a standby underwriting letter (the **Standby Underwriting Letter**) with HSBC pursuant to which HSBC agreed to underwrite the Rights Issue, on the terms and subject to the conditions set out in the Standby Underwriting Letter. The Standby Underwriting Letter automatically terminated in accordance with its terms upon the execution of the Underwriting Agreement.

## **16. Liquidnet's material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by a member of the Liquidnet Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by any member of the Liquidnet Group and contain provisions under which any member of the Liquidnet Group has an obligation or entitlement which is, or may be, material to the Liquidnet Group at the date of this document:

On 13 July 2017, Liquidnet and certain of its subsidiaries entered into a credit and guarantee agreement in respect of a \$200 million term loan with Jeffries Finance LLC and certain other parties listed therein, as lenders (the **Credit Agreement**) and a security agreement between Liquidnet and certain of its subsidiaries and Jefferies Finance LLC, as collateral agent, pledgee, assignee and secured party (the **Security Agreement**).

Under the Credit Agreement, 909,011 shares of capital stock of Liquidnet Technologies Europe Limited (U.K.), 6,500 shares of capital stock of Liquidnet Bermuda Limited and 858,141 shares of capital stock of Quiet Signal, Inc. were pledged as collateral.

As of 30 September 2020, the outstanding principal amount under the term loan was \$117.5 million.

Pursuant to the Acquisition Agreement, outstanding amounts under the Credit Agreement will be paid off by TP ICAP at the closing of the Acquisition (with such amount to be deducted from the purchase price to be paid pursuant to the Acquisition Agreement) and the liens granted under the Security Agreement will be released.

## **17. UK Taxation**

### **17.1 General**

The following statements are intended to apply only as a general guide to certain UK tax considerations in relation to the New Ordinary Shares, Nil Paid Rights and Fully Paid Rights. They are based on current UK tax law and what is understood to be 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, and are intended to, apply only to acquirers of New Ordinary Shares, Nil Paid Rights and Fully Paid Rights who are resident and, in the case of individuals, domiciled or deemed domiciled, solely in the United Kingdom for UK tax purposes (except where the position of non-UK resident or non-UK domiciled Shareholders is referred to expressly) and do not apply to Shareholders to whom split-year treatment applies. They apply only to Shareholders who hold the New 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 New 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 New Ordinary Shares in connection with an office or employment, persons holding their shares through trust arrangements, dealers in securities, banks, insurance companies and collective investment schemes.

Prospective acquirers of New Ordinary Shares, Nil Paid Rights and Fully Paid Rights who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the New Ordinary Shares, Nil Paid Rights or Fully Paid Rights or who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their UK tax position should seek their own professional advice.

### **17.2 Dividends**

#### **(a) Withholding tax**

The Company will not be required to deduct or withhold amounts on account of UK tax at source from dividend payments it makes, irrespective of the residence or particular circumstances of the Shareholder receiving such dividend payment.

#### **(b) Taxation on receipt**

A Shareholder's liability to taxation on dividends will depend upon the circumstances of the Shareholder and is outlined below:

##### **(i) Individuals**

A nil rate of income tax will apply for the first £2,000 of dividend income received by an individual Shareholder in a tax year (the **Nil Rate Band**).

The rate of tax applicable to dividend income in excess of the Nil Rate Band will depend on the wider tax position of the Shareholder. Broadly speaking, after taking into account the amount (if any) of a Shareholder's personal allowance, and any other allowances, exemptions and reliefs, the Shareholder's taxable income up to the basic rate limit will fall within the basic rate band; taxable income between the basic rate limit and the higher rate limit will fall within the higher rate band; and taxable income above the higher rate limit will fall within the additional rate band.

The rates of income tax on dividends received above the Nil Rate Band are (a) 7.5 per cent. for dividends in the basic rate band; (b) 32.5 per cent. for dividends in the higher rate band; and (c) 38.1 per cent. for dividends in the additional rate band.



In determining the tax band in which any dividend income over the Nil Rate Band falls, dividend income is treated as the top slice of a Shareholder's income and dividend income within the Nil Rate Band is still taken into account.

Because dividend income (including income within the Nil Rate Band) is taken into account in assessing whether a Shareholder's overall income is above the higher or additional rate limits, the receipt of such income may also affect the amount of personal allowances to which the Shareholder is entitled.

## (ii) Companies

Shareholders within the charge to UK corporation tax that are "small companies" 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 an anti-avoidance condition).

Shareholders within the charge to UK corporation tax that are not "small companies" for this purpose will not be subject to UK corporation tax on any dividend received from the Company so long as the dividend falls within an exempt class 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 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 Shareholder (the main rate of corporation tax is currently 19 per cent.).

## 17.3 Capital Gains

### (a) *New Ordinary Shares acquired pursuant to the Rights Issue*

For the purposes of UK capital gains tax and corporation tax on chargeable gains, the issue of New Ordinary Shares to Existing Ordinary Shareholders who take up their Rights pursuant to the Rights Issue should be regarded as a reorganisation of the share capital of the Company.

Therefore a Shareholder who takes up their entitlement to New Ordinary Shares pursuant to the Rights Issue should not be treated as acquiring a new asset or as making a disposal of any part of that Shareholder's Existing Ordinary Shares by reason of taking up all or part of that Shareholder's rights to New Ordinary Shares. Instead, the New Ordinary Shares issued to that Shareholder should be treated as the same asset, and having been acquired at the same time, as that Shareholder's Existing Ordinary Shares. The amount paid for the New Ordinary Shares acquired under the Rights Issue up to the Shareholder's entitlement should be added to the base cost of that Shareholder's Existing Ordinary Shares. Upon such a Shareholder acquiring their New Ordinary Shares, the Existing Ordinary Shares and New Ordinary Shares should be treated as a single pool of Ordinary Shares, with the base cost of the Existing Ordinary Shares (as so increased) generally being spread pro rata between the Existing Ordinary Shares and the New Ordinary Shares received.

### (b) *Disposal or lapse of rights to acquire New Ordinary Shares*

If a Shareholder disposes of all or some of their rights to acquire New Ordinary Shares, or allows or is deemed to have allowed all or some of that Shareholder's rights to acquire New Ordinary Shares to lapse and receives a cash payment in respect of those rights, then that Shareholder may, in certain circumstances, incur a liability to UK taxation on chargeable gains.

However, if the proceeds that a Shareholder obtains from a lapse or disposal of the rights to acquire New Ordinary Shares are "small" compared with the market value of the Existing Ordinary Shares in respect of which the rights arose, then that Shareholder should not be treated as making a disposal for the purposes of UK taxation of chargeable gains. The proceeds should instead be deducted from the acquisition cost of that Shareholder's holding of Existing Ordinary Shares for the purposes of computing any chargeable gain or allowable loss on a subsequent disposal, unless such proceeds are greater than the base cost of the Existing Ordinary Shares in respect of which the rights arose and a valid election is made.

HMRC will normally treat proceeds as "small" if the amount of the proceeds either does not exceed 5 per cent. of the market value (at the date of the disposal or lapse) of the Existing Ordinary Shares in respect of which the rights arose or does not exceed £3,000.

(c) *Subsequent disposal of Ordinary Shares (including New Ordinary Shares)*

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, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains.

(i) *Individuals*

For an individual Shareholder, the principal factors that will determine the UK capital gains tax position on a disposal or deemed disposal of Ordinary Shares are the extent to which the Shareholder realises any other capital gains in the UK tax year in which the disposal is made, the extent to which the Shareholder has incurred capital losses in that or earlier UK tax years, the UK income tax band into which the Shareholder falls, and the level of the annual allowance of tax-free gains in that UK tax year (the **Annual Exemption**). The Annual Exemption for the tax year running 6 April 2020 to 5 April 2021 is £12,300.

The applicable rate for an individual Shareholder who makes a capital gain on the disposal (or deemed disposal) of Ordinary Shares which (after taking advantage of the Annual Exemption and deducting any available capital losses) is liable to UK capital gains tax is 10 per cent. or 20 per cent., depending on the individual's personal circumstances, including other taxable income and gains in the relevant year.

A Shareholder who ceases to be resident in the UK for tax purposes and then reacquires UK tax residence before five complete tax years have elapsed and who disposes of Ordinary Shares during that period of non-residence may also be liable on their return to the UK to tax on any capital gain realised, subject to any available exemptions or reliefs.

(ii) *Companies*

A disposal or deemed disposal of Ordinary Shares by a Shareholder within the charge to UK corporation tax may give rise to a chargeable gain or allowable loss for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemptions or reliefs. Corporation tax is charged on chargeable gains at the rate applicable to that company.

## **17.4 Stamp duty and stamp duty reserve tax**

(a) *General*

The following statements about UK stamp duty and stamp duty reserve tax (**SDRT**) apply regardless of whether or not a Shareholder is resident, domiciled or deemed domiciled in the United Kingdom.

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. This section does not cover the treatment of New Ordinary Shares 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.

(b) *The Rights Issue*

No liability to stamp duty or SDRT will arise on the issue of the New Ordinary Shares or the Provisional Allotment Letters by the Company or on the crediting of Nil Paid Rights or Fully Paid Rights to stock accounts in CREST.

A purchaser of rights to New Ordinary Shares represented by Provisional Allotment Letters (whether nil or fully paid) or of Nil Paid Rights or Fully Paid Rights held in CREST on or before the latest time for registration or renunciation will not generally be liable to pay stamp duty, but the purchaser will normally be liable to pay SDRT at the rate of 0.5 per cent. of the value or amount of the consideration given.

Where such a purchase is effected through a stockbroker or other financial intermediary, that person will normally account to HMRC for the SDRT and should indicate that this has been done in any contract note issued to the purchaser. In other cases, the purchaser of the rights to the New Ordinary Shares represented by the Provisional Allotment Letters may be liable to account for the SDRT to HMRC. Any SDRT arising on the transfer of Nil Paid Rights or Fully Paid Rights held in CREST should be collected and accounted for, in accordance with the CREST rules, to HMRC by the operator of CREST.

(c) *Deposit of New Ordinary Shares in CREST*

Deposits of New 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 of value of the consideration.

(d) *Subsequent transfers within CREST*

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 of value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system and to account for this to HMRC.

(e) *Subsequent transfers outside CREST*

The conveyance or transfer on sale of Ordinary Shares outside the CREST system will generally be subject to 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 SDRT. In the absence of contractual agreement no party is legally responsible for the payment of stamp duty as it is not an assessable tax; however, in practice the purchaser or transferee will usually pay this to ensure that the company register of members can be updated by the registrar to show the transfer.

## **18. U.S. federal income taxation**

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders (as defined below) of the receipt, exercise and disposition of Nil Paid Rights, as well as the acquisition, ownership and disposition of Fully Paid Rights and New Ordinary Shares, pursuant to the Rights Issue. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the **Code**), final, temporary and proposed U.S. Treasury regulations, and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and the United Kingdom as currently in force (the **Treaty**).

This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Nil Paid Rights, Fully Paid Rights or New Ordinary Shares through pass-through entities; (viii) holders that are not U.S. Holders; (ix) holders that own (directly, indirectly or constructively) 10 per cent. or more of the stock of the Company by vote or value; (x) investors that hold Nil Paid Rights, Fully Paid Rights or New Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (xi) investors that have a functional currency other than the U.S. dollar; (xii) U.S. expatriates and former long-term residents of the United States; and (xiii) investors that make mark to mark elections), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares, U.S. federal estate, gift or alternative minimum tax or net investment tax considerations, or non-U.S., state or local tax considerations. This summary only addresses U.S. Holders that will receive Nil Paid Rights with respect to Existing Ordinary Shares in the Rights Issue, and it assumes that such U.S. Holders will hold their Nil Paid Rights, Fully Paid Rights and New Ordinary Shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment).

For the purposes of this summary, a **U.S. Holder** is a beneficial owner of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The United States federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Nil Paid Rights, Fully Paid Rights or New Ordinary Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships, or entities or arrangements treated as partnerships for U.S. federal income tax purposes, that hold Nil Paid Rights, Fully Paid Rights or New Ordinary Shares should consult their own tax advisers regarding the specific U.S. federal income tax consequences to their partners from the acquisition, ownership and disposition of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares.

## **18.1 Taxation of Nil Paid Rights**

### *(a) Distribution of Nil Paid Rights*

The proper characterisation of the issuance of Nil Paid Rights, and any subsequent sale by the Underwriters of such Nil Paid Rights and the remittance of the proceeds from that sale to certain U.S. Holders whose Nil Paid Rights were sold, is unclear. Under U.S. federal income tax principles, the issuance and sale of such Nil Paid Rights could be treated either as a distribution of property by the Company or as a distribution of Nil Paid Rights by the Company and a subsequent sale of those Nil Paid Rights by the relevant U.S. Holders.

If a distribution of property were considered to be made by the Company, a U.S. Holder would generally be required to include in income as foreign source ordinary dividend income, as described below under “—paragraph 17.3 *Taxation of New Ordinary Shares—(a) Dividends*”, an amount equal to the fair market value of the Nil Paid Rights on the date of their distribution. In such a case, a U.S. Holder would have a tax basis in the Nil Paid Rights equal to the amount treated as a dividend, and a U.S. Holder’s holding period in the Nil Paid Rights would begin on the date the Nil Paid Rights were received.

The Directors believe that the issuance of Nil Paid Rights and any subsequent remittance of proceeds from the sale by the Underwriters of such Nil Paid Rights should not be treated as a distribution of property by the Company. Therefore, a U.S. Holder should not be required to include any amount in income for U.S. federal income tax purposes as a result of the issuance of Nil Paid Rights. It is possible that the U.S. Internal Revenue Service (the **IRS**) will take a contrary view. U.S. Holders are urged to consult their tax advisers as to the proper characterisation of the issuance of Nil Paid Rights and any subsequent remittance of proceeds from the sale by the Underwriters of such Nil Paid Rights. The remainder of this discussion assumes that the issuance and sale of Nil Paid Rights and any subsequent remittance of proceeds from the sale by the Underwriters of such Nil Paid Rights will not be a distribution of property for U.S. federal income tax purposes.

If, on the date Nil Paid Rights are issued, the fair market value of the Nil Paid Rights allocable to a U.S. Holder is less than 15 per cent. of the fair market value of the Existing Ordinary Shares with respect to which such Nil Paid Rights are issued, the Nil Paid Rights will have a zero basis for U.S. federal income tax purposes unless such U.S. Holder affirmatively elects to allocate basis in proportion to the relative fair market value of such U.S. Holder’s Existing Ordinary Shares and the Nil Paid Rights, determined on the date of issuance. This election must be made in the tax return of the U.S. Holder for the taxable year in which the Nil Paid Rights are issued.

If, on the date Nil Paid Rights are issued, the fair market value of the Nil Paid Rights attributable to a U.S. Holder is 15 per cent. or greater than the fair market value of the Existing Ordinary Shares with respect to which the Nil Paid Rights are issued, then the basis in such U.S. Holder’s Existing Ordinary Shares must be allocated between such Existing Ordinary Shares and the Nil Paid Rights issued in proportion to their fair market values determined on the date the Nil Paid Rights are issued. This general rule will apply with respect to Nil Paid Rights only if the Nil Paid Rights are exercised or sold.

### *(b) Sale or Other Disposition of Nil Paid Rights*

Subject to the passive foreign investment company (**PFIC**) rules discussed below, a U.S. Holder will recognise capital gain or loss on the sale or other disposition of Nil Paid Rights (including a sale of Nil Paid Rights by

the Underwriters on its behalf) in an amount equal to the difference between such U.S. Holder's adjusted tax basis in the Nil Paid Rights and the U.S. dollar value of the amount realised (as determined for U.S. federal income tax purposes) from the sale or other disposition. Any gain or loss generally will be treated as arising from U.S. sources and will be a long-term capital gain or loss if the holding period for the Nil Paid Rights is more than one year. The holding period of such U.S. Holder in the Nil Paid Rights should include its holding period in the Existing Ordinary Shares with respect to which the Nil Paid Rights were distributed.

For the U.S. federal income taxation of an amount realised in non-U.S. currency from a sale or other disposition, refer to the discussion below under “17.3 *Taxation of New Ordinary Shares—(b) Sale or other Disposition of New Ordinary Shares.*”

*(c) Exercise of Nil Paid Rights and Receipt of Fully Paid Rights*

A U.S. Holder who is permitted to receive Nil Paid Rights will not ordinarily recognise taxable income upon the receipt of Fully Paid Rights pursuant to the exercise of Nil Paid Rights. Such a U.S. Holder will have a tax basis in the Fully Paid Rights equal to the sum of such U.S. Holder's tax basis in the Nil Paid Rights exercised to obtain the Fully Paid Rights and the U.S. dollar value of the Rights Issue Price on the exercise date. Such a U.S. Holder's holding period in the Fully Paid Rights received generally will begin on the date the Nil Paid Rights are exercised.

*(d) Expiration of Nil Paid Rights*

If a U.S. Holder who is permitted to receive Nil Paid Rights allows Nil Paid Rights to expire without selling or exercising them and such U.S. Holder does not receive any proceeds from the sale of Nil Paid Rights by the Underwriters, such U.S. Holder should not recognise any loss upon the expiration of the Nil Paid Rights and any tax basis from Existing Ordinary Shares that was allocated to the Nil Paid Rights will be reallocated back to such Existing Ordinary Shares.

## **18.2 Taxation of Fully Paid Rights**

*(a) Exercise of Fully Paid Rights*

A U.S. Holder will not ordinarily recognise taxable income upon the receipt of New Ordinary Shares pursuant to the exercise of Fully Paid Rights. A U.S. Holder will have a tax basis in the New Ordinary Shares equal to such U.S. Holder's tax basis in the Fully Paid Rights and a holding period starting on the date the Nil Paid Rights were exercised.

*(b) Sale or Other Disposition of Fully Paid Rights*

Subject to the PFIC rules discussed below, a U.S. Holder will recognise capital gain or loss on the sale, exchange or other disposition of Fully Paid Rights in an amount equal to the difference between such U.S. Holder's adjusted tax basis in the Fully Paid Rights and the U.S. dollar value of the amount realised (as determined for U.S. federal income tax purposes) from the sale, exchange or other disposition. Any gain or loss generally will be treated as arising from U.S. sources, and will be long-term capital gain or loss if the U.S. Holder's holding period in the Fully Paid Rights exceeds one year.

For the U.S. federal income taxation of an amount realised in non-U.S. currency from a sale, exchange or other disposition, refer to the discussion below under “—paragraph 17.3 *Taxation of New Ordinary Shares—(b) Sale or other Disposition of New Ordinary Shares.*”

## **18.3 Taxation of New Ordinary Shares**

*(a) Dividends*

Subject to the PFIC rules discussed below, a distribution made by the Company on the New Ordinary Shares (including amounts withheld in respect of non-U.S. income tax, if any) generally will be treated as a dividend includible in the gross income of a U.S. Holder as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined for U.S. federal income tax purposes. The Company does not expect to maintain calculations of earnings and profits for U.S. federal income tax purposes. Therefore, a U.S. Holder should expect that such distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to corporations.

“Qualified dividend income” received by individuals and certain other non-corporate U.S. Holders will be subject to preferential rates. Dividends will be treated as “qualified dividend income” if (i) the Company is a

“qualified foreign corporation” (as defined below) and (ii) such dividend is paid on New Ordinary Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date. The Company generally will be a “qualified foreign corporation” if (1) it is either (a) eligible for the benefits of the Treaty, or (b) if the stock with respect to which such dividend is paid is readily tradable on an established securities market in the United States, and (2) it is not a PFIC in the taxable year of the distribution or the immediately preceding taxable year. The Company expects to be eligible for the benefits of the Treaty and does not believe that it was a PFIC for the year ended 31 December 2019 and does not expect to be a PFIC for the current year. Accordingly, dividends on the New Ordinary Shares should be eligible for the preferential rates on “qualified dividend income” under U.S. federal income tax law.

Dividends on the New Ordinary Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

The U.S. dollar value of any distribution made by the Company in currency other than U.S. dollars (a **foreign currency**) must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the U.S. Holder, regardless of whether the foreign currency is in fact converted into U.S. dollars. If the foreign currency so received is converted into U.S. dollars on the date of receipt, such U.S. Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, such U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any gain on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

*(b) Sale or other Disposition of New Ordinary Shares*

Subject to the PFIC rules discussed below, a U.S. Holder generally will recognise gain or loss for U.S. federal income tax purposes upon a sale or other disposition of its New Ordinary Shares in an amount equal to the difference between the amount realised from such sale or disposition and the U.S. Holder’s adjusted tax basis in such New Ordinary Shares, as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders, such as individuals) or loss if, on the date of sale or disposition, such New Ordinary Shares were held by such U.S. Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from U.S. sources.

A U.S. Holder that receives foreign currency from a sale or disposition of New Ordinary Shares generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the New Ordinary Shares are treated as being traded on an “established securities market” for this purpose, the settlement date. If the New Ordinary Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to the U.S. dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

*(c) Passive Foreign Investment Company Rules*

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75 per cent. of its gross income is classified as “passive income” or (ii) at least 50 per cent. of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on the present nature of its activities, including the Rights Issue, the Directors believe that the Company was not a PFIC for the year ended 31 December 2019 and does not expect to be a PFIC for the current year.

There can be no assurances that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is or was a PFIC in any year that a U.S. Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that U.S. Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year that a U.S. holder is a shareholder, materially adverse U.S. federal income tax consequences could result for the U.S. Holders.

*(d) Specified Foreign Financial Asset Reporting*

Certain U.S. Holders that own certain foreign financial assets with an aggregate value in excess of \$50,000 at the end of the taxable year or \$75,000 at any time during the taxable year (or, for certain individuals living outside the United States and married individuals filing joint returns, certain higher thresholds) may be required to file an information report with respect to such assets with their tax returns. The Nil Paid Rights, Fully Paid Rights or New Ordinary Shares are expected to constitute foreign financial assets subject to these requirements unless the Nil Paid Rights, Fully Paid Rights or New Ordinary Shares are held in an account at a financial institution (in which case the amount may be reportable if maintained by a non-U.S. financial institution). U.S. Holders should consult with tax advisers regarding the application of the rules relating to foreign financial asset reporting.

*(e) U.S. Information Reporting; Backup Withholding Tax*

Payments to a U.S. Holder may be subject to information reporting unless it is established that payments to it are exempt from these rules. Payments that are subject to information reporting may be subject to backup withholding if a U.S. Holder does not provide its taxpayer identification number or certification of exempt status and otherwise comply with the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Under U.S. federal income tax law and regulations, certain categories of U.S. persons must file information returns with respect to their investment in the equity interests of a foreign corporation. A U.S. person that purchases for cash New Ordinary Shares will be required to file IRS Form 926 or similar form if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds \$100,000. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10 per cent. of the gross amount paid for such New Ordinary Shares up to a maximum penalty of \$100,000.

U.S. Holders should note that the discussion above in paragraph 16 in this Part XXIV is also relevant. See in particular paragraph 16.4 of this Part XXIV relating to stamp duty and stamp duty reserve tax.

## **19. Litigation and Arbitration**

### **19.1 TP ICAP**

Save as disclosed below in this document, during the 12 months preceding the date of this document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company or the TP ICAP Group.

#### ***European Commission—Yen LIBOR***

In February 2015, the European Commission imposed a fine of £13 million (€15 million) on NEX International Limited (formerly ICAP plc), ICAP Management Services Limited and ICAP New Zealand Limited for alleged competition violations in relation to the involvement of certain of ICAP's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Whilst this matter relates to alleged conduct violations that occurred prior to the TP ICAP Group's acquisition of IGBB from ICAP, the fine imposed by the European Commission was appealed and the TP ICAP Group sought a full annulment of the Commission's decision. In the event that the European Commission imposes a fine in excess of €15 million, such excess will be borne by ICAP's successor firm, NEX. In November 2017, the European General Court granted a partial annulment of the European Commission's findings. The European Commission appealed this decision in February 2018 and IEL served its reply during April 2018. A decision from the Courts of Justice of the European Union was received on 10 July 2019 which determined that the decision of the

European Commission in relation to the competition violations still stood but the decision of the European Commission imposing the fine was annulled. The European Commission is likely to adopt new articles in relation to a fine however, and therefore, on the basis of legal advice received, the TP ICAP Group initially retained a £9 million (€10 million) provision in its accounts in connection with this matter. Based on the latest review, the TP ICAP Group updated the provision to £5.8 million (€6.5 million) in December 2020.

#### ***Commodities and Futures Trading Commission—Bond issuances investigation***

ICAP Global Derivatives Limited (**IGDL**), ICAP Energy LLC (**Energy**), ICAP Europe Limited (**IEL**), Tullett Prebon Americas Corp. (**TPAC**), tpSEF Inc. (**tpSEF**), Tullett Prebon Europe Limited (**TPEL**) Tullett Prebon (Japan) Limited (**TPJL**) and Tullett Prebon (Australia) Limited (**TPAL**) are currently responding to an investigation by the CFTC in relation to the pricing of issuances utilising certain of TP ICAP's indicative broker pricing screens. The investigation is still in the fact-finding phase and TP ICAP is co-operating with the CFTC in its enquiries. It is not possible to predict the ultimate outcome of the investigation or to provide an estimate of any potential financial impact at this time. As the investigation relates in part to historic matters that occurred prior to the TP ICAP Group's acquisition of IGBB from ICAP, but which were not disclosed to the TP ICAP Group prior to completion of the acquisition, the TP ICAP Group has initiated a court action against ICAP's successor company, NEX, for breach of warranty.

#### ***IFUS***

On 11 May 2020, Tullett Prebon (Europe) Ltd (**TPE**) received notice of the instigation of disciplinary proceedings by ICE Futures U.S. (**IFUS**) relating to activities undertaken between March 2018 and September 2019. Following engagement and consultation with IFUS, TPE agreed a settlement with IFUS dated 13 August 2020 under which TPE agreed to pay a fine of \$520,000 in respect of failures of block trades, general record requirements, order ticket requirements, minimum quantity requirements, disclosure of customer identity and failure to supervise. As part of that agreement TPE agreed to enhance its compliance manual, take reasonable proactive and appropriate measures to be in compliance with Exchange Rules of IFUS, conduct training covering Exchange Rules and require all TPE brokers to acknowledge receipt and understanding of such training and to cooperate with periodic audits of TPE compliance in connection with Exchange Rules.

#### ***FCA Investigation***

On 11 October 2019, the FCA issued its Final Notice in respect of its investigation into Tullett Prebon Europe Limited (**TPEL**). The FCA imposed a financial penalty on TPEL of £15.4 million which takes into account a discount of 30 per cent. under the FCA's settlement procedures. Without this discount, the fine would have been £22 million. The matter related to certain trades undertaken between 2008 and 2011 which were found by the FCA to have no commercial rationale or economic purpose, on which brokerage was paid and the failure by TPEL to discover certain audio files and produce them to the FCA in a timely manner. The FCA found that certain former managers in TPEL's Global Broking Division and in TPEL's Compliance Department failed to act with due skill, care and diligence. It was also found that at the time there were inadequate systems and controls in place to deal with the risk of improper broker conduct. The investigation also related to the circumstances surrounding both a failure by TPEL to discover certain audio files and produce them to the FCA in a timely manner, together with the incorrect account given by TPEL to the FCA as to how those files were discovered. TPEL entered into a settlement agreement with the FCA in connection with the Final Notice and will not appeal the FCA's findings. The financial penalty was reported as an exceptional item in the notes to the TP ICAP 2019 Financial Statements in the TP ICAP 2019 Annual Report.

#### ***Bank Bill Swap Reference Rate case***

On 16 August 2016, a complaint was filed in the United States District Court for the Southern District of New York naming Tullett Prebon plc, ICAP plc, ICAP Australia Pty LTD and Tullett Prebon (Australia) Pty. Limited as defendants together with various Bank Bill Swap Reference Rate (**BBSW**) setting banks. The complaint alleges collusion by the defendants to fix BBSW-based derivatives prices through manipulative trading during the fixing window and false BBSW rate submissions. On 26 November 2018, the Court dismissed all of the claims against the TP ICAP defendants and certain other defendants. On 28 January 2019, the Court ordered that a stipulation signed by the plaintiffs and the TP ICAP defendants meant that the TP ICAP defendants were not required to respond to any Proposed Second Amended Class Action Complaint (**PSAC**) that the plaintiffs were seeking to file. On 3 April 2019 the plaintiffs filed a PSAC, however, the TP ICAP defendants have no obligation to respond. The plaintiffs have reserved the right to appeal the dismissal of the TP ICAP defendants



but have not yet done so. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact.

#### ***Labour claims—ICAP Brazil***

ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda (**ICAP Brazil**) is a defendant in 11 pending lawsuits filed between October 2007 and November 2018 in the Brazilian Labour Court by persons formerly associated with ICAP Brazil seeking damages under various statutory labour rights accorded to employees and in relation to various other claims including wrongful termination, breach of contract and harassment (together, the **Labour Claims**). The TP ICAP Group estimates the maximum potential aggregate exposure in relation to the Labour Claims, including any potential social security tax liability, to be BRL60 million (£8 million). The TP ICAP Group is the beneficiary of an indemnity from NEX in relation to any liabilities in respect of seven of the eleven Labour Claims insofar as they relate to periods prior to completion of the TP ICAP Group's acquisition of ICAP. This includes a claim that is indemnified by a predecessor to ICAP Brazil by way of escrowed funds in the amount of BRL24.5 million (£3 million). As of the date of this Prospectus, the Labour Claims are at various stages of their respective proceedings and are pending an initial witness hearing, the court's decision on appeal or a ruling on a motion for clarification. The TP ICAP Group intends to contest liability in each of these matters and to vigorously defend itself. It is not possible to predict the ultimate outcome of these actions or to provide an estimate of any potential financial impact.

#### ***Flow case—Tullett Prebon Brazil***

In December 2012, Flow Participações Ltda. and Brasil Plural Corretora de Câmbio, Títulos e Valores (**Flow**) initiated a lawsuit against Tullett Prebon Brasil S.A. Corretora de Valores e Câmbio and Tullett Prebon Holdings do Brasil Ltda alleging that the defendants have committed a series of unfair competition misconducts, such as the recruitment of Flow's former employees, the illegal obtainment and use of systems and software developed by the plaintiffs, as well as the transfer of technology and confidential information from Flow and the collusion to do so in order to increase profits from economic activities. The amount currently claimed is BRL257 million (£35 million). The TP ICAP Group intends to vigorously defend itself but there is no certainty as to the outcome of these claims. The case is currently in an evidentiary phase. As of the date of this Prospectus, the TP ICAP Group has not made and does not intend to make any financial provisions in relation to this case.

#### ***LIBOR Class actions***

The TP ICAP Group is currently defending three LIBOR-related actions.

##### ***(i) Stichting LIBOR Class Action***

On 15 December 2017, the Stichting Elco Foundation, a Netherlands-based claim foundation, filed a writ initiating litigation in the Dutch court in Amsterdam on behalf of institutional investors against ICAP Europe Limited (**IEL**), ICAP plc, Cooperative Rabobank U.A., UBS AG, UBS Securities Japan Co. Ltd, Lloyds Banking Group plc, and Lloyds Bank plc. The litigation alleges manipulation by the defendants of the JPY LIBOR, GBP LIBOR, CHF LIBOR, USD LIBOR, EURIBOR, TIBOR, SOR, BBSW and HIBOR benchmark rates, and seeks a declaratory judgment that the defendants acted unlawfully and conspired to engage in improper manipulation of benchmarks. If the plaintiffs succeed in the action, the defendants would be responsible for paying costs of the litigation, but each allegedly impacted investor would need to prove its own actual damages. It is not possible at this time to determine the final outcome of this litigation, but IEL has factual and legal defences to the claims and intends to defend the lawsuit vigorously. A hearing took place on 18 June 2019, on the defendants' motions to dismiss the proceedings. On 14 August 2019, the Dutch Court issued a ruling dismissing ICAP plc from the case entirely but keeping certain claims against IEL relating solely to Yen LIBOR. On 9 December 2020, the Dutch Court issued a final judgment dismissing the foundation's claims in their entirety. The foundation has until 9 March 2021 to appeal this final judgment. The TP ICAP Group is covered by an indemnity from NEX in relation to any liabilities in respect of the ICAP entities with regard to these matters. It is not possible to estimate any potential financial impact in respect of this matter at this time.

##### ***(ii) Swiss Franc LIBOR Class Action***

On 4 December 2017, a class of plaintiffs filed a Second Amended Class Action Complaint in the matter of Sonterra Capital Master Fund Ltd. et al. v. Credit Suisse Group AG et al. naming as defendants, among others, TP ICAP plc, Tullett Prebon Americas Corp., Tullett Prebon (USA) Inc., Tullett Prebon Financial

Services LLC, Tullett Prebon (Europe) Limited, Cosmorex AG, ICAP Europe Limited, and ICAP Securities USA LLC (together, the **Companies**). The Second Amended Complaint generally alleges that the Companies conspired with certain bank customers to manipulate Swiss Franc LIBOR and prices of Swiss Franc LIBOR based derivatives by disseminating false pricing information in false run-throughs and false prices published on screens viewed by customers in violation of the Sherman Act (antitrust) and RICO. On 16 September 2019, the Court granted the Companies' motions to dismiss in their entirety. The plaintiffs have appealed the dismissal to the United States Court of Appeals for the Second Circuit. The Companies intend to contest liability in the matter and to vigorously defend themselves. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact.

*(iii) Yen LIBOR Class Actions*

In April 2013, ICAP plc was added as a defendant to an existing civil litigation originally filed in April 2012, *Laydon v. Mizuho Bank, Ltd.*, against certain Yen LIBOR and Euroyen TIBOR panel banks alleging purported manipulation of the Yen LIBOR and Euroyen TIBOR benchmark interest rates. The United States District Court for the Southern District of New York dismissed the plaintiff's antitrust and unjust enrichment claims, but upheld the plaintiff's claim for purported manipulation under the Commodity Exchange Act. ICAP plc and certain other foreign defendants were dismissed in March 2015 for lack of personal jurisdiction. The Court permitted plaintiffs to file an amended complaint whereby they added new defendants to the action including ICAP Europe Limited and Tullett Prebon plc. On 10 March 2017, both ICAP Europe Limited and Tullett Prebon plc were dismissed for lack of personal jurisdiction. On 23 October 2020, the plaintiffs served their formal notice of intent to appeal the dismissal of the TP ICAP defendants. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact. The TP ICAP Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters.

Other plaintiffs filed a related complaint, *Sonterra Capital Master Fund, Ltd. v. UBS AG*, which included ICAP plc, ICAP Europe Limited and Tullett Prebon plc as defendants, asserting a cause of action for antitrust injury only as a result of the purported manipulation of Yen LIBOR and Euroyen TIBOR by panel banks and brokers. Defendants filed motions to dismiss for lack of jurisdiction and failure to state a claim. On 10 March 2017, the Court issued an order dismissing the entirety of the Sonterra case on the grounds that the plaintiffs lacked antitrust standing. Plaintiffs appealed the dismissal, which was then stayed to accommodate new settlements reached between the plaintiffs and some of the defendants. The briefing on the appeal was completed on 28 January 2019 and oral argument was heard on 5 February 2020. On April 1, 2020, the Second Circuit Court of appeals reversed and remanded the dismissal. In October 2020, the Company filed a renewed motion to dismiss on grounds that were not reached in the original decision to dismiss including but not limited to lack of personal jurisdiction. It is not possible to predict the ultimate outcome of the litigation or to provide an estimate of any potential financial impact. The TP ICAP Group is covered by an indemnity from NEX in relation to any outflow in respect of ICAP Europe Limited with regard to these matters.

***ICAP Securities Limited, Frankfurt branch—Frankfurt Attorney General administrative proceedings***

ICAP Securities Limited, Frankfurt branch (**ISL**) received a letter dated 19 December 2018 from the Attorney General's office in Frankfurt notifying ISL it had commenced administrative proceedings against ISL and criminal proceedings against former employees of ISL, in respect of aiding and abetting tax evasion by Rafael Roth Financial Enterprises GmbH (**RRFE**). It is possible that a corporate administrative fine may be imposed on ISL and earnings derived from the criminal offence confiscated. ISL has appointed external counsel and is in the process of investigating the activities of the desk from 2006 to 2009. This investigation is complicated as the majority of records are held by NEX. The TP ICAP Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. It is not possible at this stage to provide an estimate of any potential financial impact on the TP ICAP Group.

***ICAP Securities Limited and The Link Asset and Securities Company Limited—Proceedings by the Cologne Public Prosecutor***

On 11 May 2020, TP ICAP learned that proceedings have been commenced by the Cologne Public prosecutor against ISL and The Link Asset and Securities Company Ltd (**Link**) in connection with criminal investigations into individuals suspected of aiding and abetting tax evasion between 2004 and 2012. It is possible that the Cologne Public Prosecutor may seek to impose an administrative fine against ISL or Link or confiscate the earnings that ISL or Link allegedly derived from the underlying alleged criminal conduct by the relevant

individuals. ISL and Link have appointed external lawyers to advise them. The TP ICAP Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. Since the proceedings brought by the Cologne Public Prosecutor are at an early stage, details of the alleged wrongdoing or case against ISL and Link are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the TP ICAP Group.

#### **Autorité des Marchés Financiers (AMF)**

In August 2019, Tullett Prebon (Europe) Limited was notified that the AMF was investigating alleged facilitation of market abuse conduct concerning historic transactions with a client undertaken in 2015 on Eurex. In June 2020, the AMF initiated enforcement proceedings before the Enforcement Committee of the AMF. TPEL has responded to the AMF's letter of grievance and is waiting to hear further.

#### **NYMEX**

On 14 December 2020, TPE, TPAC, and ICAP Corporates LLC (**ICAP Corp.**) collectively settled four related enforcement matters with the New York Mercantile Exchange (**NYMEX**) that included total fines of \$282,500. The matters involved alleged violations of NYMEX rules related to the timely and accurate reporting of block trades to the exchange, maintenance of records relating to block trades, adequate supervision of the execution of block trades by company employees, and unauthorised disclosure of the identity of parties to a block trade.

### **19.2 Liquidnet**

During the 12 months preceding the date of this document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the financial position or profitability of Liquidnet or the Liquidnet Group.

## **20. Related Party Transactions**

Financial information relating to related party transactions for each of the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 is set out:

- (a) in note 38 in the notes to the TP ICAP 2019 Financial Statements on page 175 of the TP ICAP 2019 Annual Report;
- (b) in note 36 in the notes to the TP ICAP 2018 Financial Statements on page 174 of the TP ICAP 2018 Annual Report; and
- (c) in note 36 in the notes to the TP ICAP 2017 Financial Statements on page 151 of the TP ICAP 2017 Annual Report,

each of which are incorporated by reference into this Prospectus.

Details of related party transactions during the period between 31 December 2019 and the Latest Practicable Date are set out below:

- The TP ICAP Group holds a 4.97 per cent. ownership in Tokyo Tanshi, a Japanese financial services provider, and a 40 per cent., 60 per cent. and 20 per cent. ownership stake in Totan ICAP Co. Ltd, ICAP Totan Securities Co. Ltd and Central Totan Securities Co. Ltd, respectively (collectively, the **Totan Subsidiaries**). Tokyo Tanshi owns the remaining stakes in the Totan Subsidiaries and also owns 20 per cent. in each of TP ICAP Group's subsidiaries Tullett Prebon (Japan) Limited and of Tullett Prebon ETP (Japan) Ltd. On this basis, Tokyo Tanshi is classified as a related party.
- In August 2020, the TP ICAP Group, acting as a borrower, entered into a JPY10 billion (£73 million) committed facility with Tokyo Tanshi that matures in August 2022. Facility commitment fees of 0.64 per cent. on the undrawn balance are payable on the facility. Arrangement fees of less than £1 million are being amortised over the maturity of the facility. The facility has been provided to the TP ICAP Group on arm's length commercial terms.
- As at 30 September 2020, JPY10 billion (£73 million) of the facility was drawn by the TP ICAP Group. Amounts drawn down are reported as loans from related parties on the TP ICAP Group's consolidated balance sheet as at 30 September 2020.

- The total amount due from related parties, representing certain TP ICAP associates, was £4 million as at 30 September 2020 (31 December 2019: £3 million) and amounts due to related parties other than Tokyo Tanshi, representing certain TP ICAP joint ventures, was £2 million as at 30 September 2020 (31 December 2019: £3 million). The amounts outstanding represent unsecured intercompany trading and non-trading balances between the TP ICAP Group and such associates and joint ventures, and are expected to be settled in cash. No guarantees have been given or received in connection with such amounts. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.
- During the period from 31 December 2019 to 30 November 2020, less than £1 million of interest, facility and the amortisation of arrangement fees amounts was paid on loans from related parties.

## **21. Working Capital**

The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and the facilities available to the TP ICAP Group, the working capital available to the TP ICAP Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of publication of this Prospectus.

## **22. No Significant Change**

There has been no significant change in the financial position or financial performance of the TP ICAP Group since 30 September 2020, being the date to which the latest interim financial information of the TP ICAP Group has been published.

There has been no significant change in the financial position or financial performance of the Liquidnet Group since 30 September 2020, being the date to which the latest interim financial information of the Liquidnet Group has been published.

## **23. Mandatory bids and compulsory acquisition**

The City Code applies to the Company. Under Sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares in the Company (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares not assented to the offer. The offeror would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares in the Company (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer. The offeror would be required to give any holder of shares notice of their right to be bought out within one month of that right arising. These sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## **24. Auditor**

**24.1** Deloitte LLP (**Deloitte**), whose registered address is Deloitte LLP, 1 New Street Square, London EC4A 3HQ, United Kingdom, has been the independent auditors of the Company since 2006.

**24.2** Deloitte LLP is registered to carry out audit work in the United Kingdom and Ireland by the Institute of Chartered Accountants in England and Wales.

## **25. Consents**

**25.1** Deloitte has given and has not withdrawn its written consent to the inclusion in this Prospectus of its report set out in Part XXIII: “*Unaudited Pro Forma Financial Information of the Enlarged Group*” of this Prospectus and the report on the historical financial information of the Liquidnet Group set out in Part 4 “*(Historical Financial Information relating to the Liquidnet Group)*” of the Circular, which is

incorporated by reference herein, and has authorised the contents of those parts of this Prospectus which comprise its reports.

**25.2** Each of BofA Securities, HSBC, JP Morgan and Peel Hunt has given and not withdrawn its consent to the inclusion in this Prospectus of its name in the form and context in which it appears.

**25.3** A written consent under the Prospectus Regulation Rules is different from a consent filed with the SEC under Section 7 of the U.S. Securities Act. As the Ordinary Shares have not been and will not be registered under the U.S. Securities Act, Deloitte has not filed and will not be required to file a consent under Section 7 of the U.S. Securities Act.

## **26. General**

**26.1** The total costs related to the Rights Issue to be borne by the Company are estimated to be approximately £12.5 million, which the Company intends to pay with existing resources. Included within the total are commissions, in relation to the issuance of the Ordinary Shares only, which are expected to be approximately £6.3 million payable to the Underwriters. Estimated net proceeds of the Rights Issue receivable by the Company, after deduction of underwriting commissions, are expected to amount to approximately £309 million.

**26.2** The financial information contained in this document which relates to the Company does not constitute full statutory accounts as referred to in Section 434 of the Companies Act.

**26.3** The Company has taken out ‘directors’ and officers’ insurance’ in respect of the Directors on the terms which the Directors consider to be appropriate in the context of the business of the TP ICAP Group. Each of the Directors will have the benefit of a qualifying third party indemnity (the terms of which are in accordance with the Companies Act).

**26.4** One or more of the Underwriters and their affiliates have engaged in transactions with the Company (including, in some cases, credit agreements and credit lines) in the ordinary course of its banking business and one or more of the Underwriters have performed various investment banking, financial advisory and other services for the Company, for which it received customer fees, and the Underwriters and their affiliates may provide such services in the future. Each of the Underwriters and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, the Company and the TP ICAP Group or in the ordinary course of their businesses.

## **27. Documents available for inspection**

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of Admission at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, United Kingdom and at the Company’s office at Floor 2, 155 Bishopsgate, London EC2M 3TQ and on the Company’s website, [www.TPICAP.com](http://www.TPICAP.com).

- (a) the Articles;
- (b) the consent letter referred to in paragraph 24 of this Part XXIV;
- (c) the consolidated financial information relating to the TP ICAP Group as at and for the years ended 31 December 2017, 31 December 2018 and 31 December 2019, and the relevant auditor’s report thereon by Deloitte incorporated by reference in this document;
- (d) the consolidated financial information relating to the Liquidnet Group as at and for the years ended 31 December 2017, 31 December 2018 and 31 December 2019, and the report on such financial information by Deloitte incorporated by reference in this document;
- (e) the unaudited pro forma financial information and the report thereon by Deloitte set out in Part XXIII: “*Unaudited Pro Forma Financial Information of the Enlarged Group*” of this document;
- (f) the Circular; and
- (g) this document.

Dated 7 January 2021

## PART XXV

### DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

<b>Acquisition</b> . . . . .	the acquisition of Liquidnet by TP ICAP
<b>Acquisition Agreement</b> . . . . .	the agreement entered into between, among others, TP ICAP and Liquidnet on 9 October 2020 in connection with the Acquisition
<b>Admission</b> . . . . .	admission of the New Ordinary Shares, nil paid or fully paid as the case may be, to the Official List and to trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with paragraph 3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards published by the London Stock Exchange
<b>Annual General Meeting</b> . . . . .	the annual general meeting of the Company held on 13 May 2020
<b>Articles</b> . . . . .	the articles of association of the Company
<b>Audit Committee</b> . . . . .	the committee described in paragraph 4.3 of Part XV: “ <i>Directors, Proposed Director and Corporate Governance</i> ” of this document
<b>Board</b> . . . . .	the board of directors of the Company from time to time
<b>BofA Securities</b> . . . . .	Merrill Lynch International
<b>Business Day</b> . . . . .	a day (other than Saturday, Sunday or a public holiday) on which banks are generally open for business in the City of London for the transaction of normal banking business
<b>CCSS</b> . . . . .	the CREST Courier and Sorting Service
<b>Certificated or Certificated Form</b> . . . . .	a share or other security which is not in uncertificated form (that is, not in CREST)
<b>Chairman</b> . . . . .	Richard Berliand
<b>Chief Executive Officer</b> . . . . .	Nicolas Breteau
<b>Circular</b> . . . . .	the Class 1 circular and notice of general meeting published by TP ICAP and posted to Shareholders on the date of this Prospectus
<b>City Code</b> . . . . .	the City Code on Takeovers and Mergers
<b>Cashless Take up</b> . . . . .	the sale of such number of Nil Paid Rights as will generate sufficient sale proceeds to enable the direct or indirect holder thereof to take up all of the remaining Nil Paid Rights (or entitlement thereto)
<b>Closing Price</b> . . . . .	the closing middle-market price of a relevant share as derived from the London Stock Exchange’s Daily Official List on any particular day
<b>Code</b> . . . . .	a code which the Company has adopted on dealings in relation to the Company’s securities
<b>Companies Act</b> . . . . .	the Companies Act 2006, as amended
<b>Company or TP ICAP</b> . . . . .	TP ICAP plc
<b>Completion of the Acquisition</b> . . . . .	the completion of the Acquisition in accordance with the terms of the Acquisition Agreement
<b>Court</b> . . . . .	the High Court of Justice of England and Wales
<b>Court Meeting</b> . . . . .	meeting of the holders of the Scheme Shares convened with permission, or by an order, of the Court pursuant to Part 26 of the UK Companies

	Act 2006 to consider and, if thought fit, approve the Scheme, including any adjournment thereof
<b>CREST</b> . . . . .	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear
<b>CREST Deposit Form</b> . . . . .	the CREST deposit form set out in the Provisional Allotment Letter
<b>CREST Manual</b> . . . . .	the CREST manual consisting of: the CREST reference manual; CREST international manual; CREST central counterparty service manual; the CREST rules; CCSS operations manual and CREST glossary of terms, available at <a href="https://www.euroclear.com">https://www.euroclear.com</a>
<b>CREST Member</b> . . . . .	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
<b>CREST Participant</b> . . . . .	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>CREST Regulations</b> . . . . .	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378)
<b>CREST Sponsor</b> . . . . .	a CREST Participant admitted to CREST as a CREST sponsor
<b>CREST Sponsored Member</b> . . . . .	a CREST Member admitted to CREST as a sponsored member
<b>Dealing Day</b> . . . . .	a day on which dealings in domestic equity market securities may take place on London Stock Exchange's main market for listed securities
<b>Deloitte</b> . . . . .	Deloitte LLP
<b>Directors</b> . . . . .	the Executive Directors, Independent Non-Executive Directors and Chairman of TP ICAP
<b>Disclosure Guidance and Transparency Rules</b> . . . . .	the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA
<b>Disclosure Requirements</b> . . . . .	articles 17, 18 and 19 of the Market Abuse Regulation
<b>ECB</b> . . . . .	the European Central Bank
<b>Enlarged Group</b> . . . . .	the TP ICAP Group and the Liquidnet Group when combined following Completion of the Acquisition (also referred to as the Group)
<b>EU Prospectus Regulation</b> . . . . .	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017
<b>euro or EUR or €</b> . . . . .	the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended
<b>Euroclear</b> . . . . .	Euroclear UK and Ireland Limited, the operator (as defined in the CREST Regulations) of CREST
<b>European Economic Area or EEA</b> . . . . .	the European Union, Iceland, Norway and Liechtenstein
<b>European Union or EU</b> . . . . .	an economic and political union of 27 member states which are located primarily in Europe
<b>EUWA</b> . . . . .	European Union (Withdrawal) Act 2018
<b>Exchange Act</b> . . . . .	the U.S. Securities Exchange Act of 1934, as amended
<b>Excluded Territories</b> . . . . .	the Abu Dhabi Global Market, Australia, the Dubai International Financial Centre, Japan, Singapore, South Africa, Switzerland, the United Arab Emirates and the United States and any jurisdiction where the extension and/or availability of the Rights Issue (and any other transactions contemplated in relation to it) would breach any applicable laws or regulations and Excluded Territory shall mean any of them

<b>Executive Directors</b> . . . . .	Nicolas Breteau, Robin Stewart and Philip Price
<b>Existing Ordinary Shares</b> . . . .	the ordinary shares of 25 pence each in the capital of TP ICAP at the Record Date
<b>Ex-Rights Date</b> . . . . .	the date that the Existing Ordinary Shares will be marked “ex-rights” by the London Stock Exchange, expected to be 8.00 a.m. on 2 February 2021
<b>FCA</b> . . . . .	the UK Financial Conduct Authority
<b>Form of Proxy</b> . . . . .	the form of proxy for use at the General Meeting
<b>FSMA</b> . . . . .	the UK Financial Services and Markets Act 2000, as amended
<b>Fully Paid Rights</b> . . . . .	rights to subscribe for New Ordinary Shares, fully paid
<b>GDPR</b> . . . . .	the General Data Protection Regulation (Regulation (EU) 2016/679)
<b>General meeting</b> . . . . .	the general meeting of Shareholders to be held at 1.45 p.m. on 1 February 2021 to consider, and if thought fit, pass, the Resolution in connection with the Acquisition, including any adjournment thereof.
<b>Group</b> . . . . .	the TP ICAP Group, and the Liquidnet Group when combined following Completion of the Acquisition (also referred to as the Enlarged Group)
<b>HMRC</b> . . . . .	HM Revenue and Customs
<b>HSBC or Sole Global Co-ordinator</b> . . . . .	HSBC Bank plc
<b>IASB</b> . . . . .	the International Accounting Standards Board
<b>IFRS</b> . . . . .	International Financial Reporting Standards, as adopted by the European Union
<b>Independent Non-Executive Directors</b> . . . . .	Edmund Ng, Roger Perkin, Angela Knight, Michael Heaney, Mark Hemsley, Angela Crawford-Ingle and Tracy Clarke
<b>Investor Representation Letter</b> . . . . .	the letter to be signed and returned by Permitted U.S. Shareholders and containing the representations and warranties set out in paragraph 8.4 of Part X: “ <i>Terms and Conditions of the Rights Issue</i> ”
<b>IRS</b> . . . . .	the Internal Revenue Service
<b>JP Morgan</b> . . . . .	J.P. Morgan Securities
<b>KPI</b> . . . . .	key performance indicator
<b>Liquidnet</b> . . . . .	Liquidnet Holdings, Inc.
<b>Liquidnet Group</b> . . . . .	Liquidnet and its subsidiaries and subsidiary undertakings, and, where the context requires it, its associated undertakings from time to time
<b>Latest Practicable Date</b> . . . .	5 January 2021 (being the latest practicable date prior to publication of this document)
<b>Link Group</b> . . . . .	a trading name of Link Market Services
<b>Listing Rules</b> . . . . .	the listing rules of the FCA made under section 74(4) of the FSMA
<b>Loan Note Instrument</b> . . . . .	the loan note instrument constituting \$50 million principal amount of 3.20 per cent. fixed rate loan notes to be issued by either TP ICAP or New TP ICAP on Completion
<b>Loan Notes</b> . . . . .	the 3.20 per cent. fixed rate unsecured loan notes constituted by the Loan Note Instrument for the principal amounts represented by them
<b>London Stock Exchange</b> . . . .	London Stock Exchange plc
<b>Market Abuse Regulation</b> . . .	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse



<b>Member State</b> . . . . .	member state of the EU
<b>Merger Sub</b> . . . . .	TP ICAP Acquisitions Co.
<b>Money Laundering Regulations</b> . . . . .	Money Laundering Regulations 2007
<b>MTM Instruction</b> . . . . .	a Many-To-Many instruction
<b>New Ordinary Shares</b> . . . . .	the 225,334,552 new Ordinary Shares to be issued pursuant to the Rights Issue
<b>New TP ICAP</b> . . . . .	TP ICAP Group plc, public limited company incorporated in Jersey, which will become, pursuant to the Scheme, the new holding company of TP ICAP
<b>New TP ICAP Admission</b> . . . . .	admission of New TP ICAP to the premium listing segment of the Official List and to trading on the main market of the London Stock Exchange
<b>New TP ICAP Ordinary Shares</b> . . . . .	ordinary shares of 25 pence each in the capital of New TP ICAP
<b>Nil Paid Rights</b> . . . . .	rights to subscribe for New Ordinary Shares, nil paid
<b>Nomination Committee</b> . . . . .	the committee described in paragraph 4.3 of Part XV: “ <i>Directors, Proposed Director</i> and Corporate Governance” of this document
<b>Notice of General Meeting</b> . . . . .	the notice of General Meeting which forms part of the Circular
<b>Official List</b> . . . . .	the Official List maintained by the FCA
<b>Online Application</b> . . . . .	the personalised website where an application can be made by Qualifying Non-CREST Shareholders using login details provided in the Provisional Allotment Letter or Share Service Form of Instruction
<b>Onshored CRR</b> . . . . .	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 and amending Regulation (EU) No 648/2012 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (as amended from time to time)
<b>Onshored MAR</b> . . . . .	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and any implementing legislation as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (as amended from time to time)
<b>Onshored MiFID</b> . . . . .	the Markets in Financial Instruments Directive II (Directive 2014/65/EU) and the Markets in Financial Instruments Regulation (Regulation 600/2014), as amended, and any implementing legislation as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (as amended from time to time)
<b>Ordinary Shares</b> . . . . .	ordinary shares of 25 pence each in the capital of the Company
<b>Overseas Shareholders</b> . . . . .	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
<b>PCAOB Standards</b> . . . . .	the standards of the Public Company Accounting Oversight Board
<b>PDMR</b> . . . . .	person discharging managerial responsibilities within the meaning of Section 96B(1) of the FSMA
<b>Peel Hunt</b> . . . . .	Peel Hunt LLP
<b>Pensions Regulator</b> . . . . .	the pensions regulator in the United Kingdom
<b>Permitted U.S. Shareholder</b> . . . . .	those Qualifying Shareholders whom the Company determines, in its sole discretion, are able, based on such procedures and certifications as it deems

	appropriate, to participate in the Rights Issue pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act
<b>PFIC</b> . . . . .	passive foreign investment company
<b>pounds sterling or £</b> . . . . .	the lawful currency of the United Kingdom of Great Britain and Northern Ireland
<b>PRA</b> . . . . .	UK Prudential Regulation Authority
<b>Proposed Director</b> . . . . .	Kath Cates
<b>Prospectus Regulation</b>	
<b>Rules</b> . . . . .	the prospectus regulation rules of the FCA made under Section 73A of the FSMA
<b>Provisional Allotment</b>	
<b>Letter</b> . . . . .	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders)
<b>QIB</b> . . . . .	“qualified institutional buyer” as defined under Rule 144A
<b>Qualifying</b>	
<b>CREST Shareholders</b> . . . . .	Qualifying Shareholders holding Ordinary Shares in uncertificated form on the Record Date
<b>Qualifying Non-CREST</b>	
<b>Shareholders</b> . . . . .	Qualifying Shareholders holding Ordinary Shares in certificated form on the Record Date
<b>Qualifying Shareholders</b> . . . .	holders of Ordinary Shares on the register of members of the Company at the Record Date
<b>Record Date</b> . . . . .	close of business on 27 January 2021
<b>Redomiciliation</b> . . . . .	the corporate reorganisation pursuant to which the Group intends to introduce a new publicly listed holding company incorporated in Jersey as the holding company of TP ICAP by means of a scheme of arrangement under the Companies Act 2006
<b>Register</b> . . . . .	the Company’s register of members
<b>Registrar or Receiving</b>	
<b>Agent</b> . . . . .	Link Group
<b>Regulation S</b> . . . . .	Regulation S under the U.S. Securities Act
<b>Regulations</b> . . . . .	regulation, legislation and other mandatory requirements issued by authorities within the United Kingdom, the European Union and other relevant jurisdictions to which the TP ICAP Group’s operations are subject
<b>Regulatory Information</b>	
<b>Service</b> . . . . .	one of the regulatory information services authorised by the Financial Conduct Authority to receive, process and disseminate regulatory information from listed companies
<b>Relevant Member State</b> . . . .	each Member State of the European Economic Area that has implemented the Prospectus Regulation
<b>Relevant Situation</b> . . . . .	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 but which does not arise in relation to a transaction or arrangement with the Company
<b>Remuneration Committee</b> . . .	the committee described in paragraph 4.3 of Part XV: “ <i>Directors, Proposed Director</i> and Corporate Governance” of this document
<b>Resolution</b> . . . . .	means the ordinary resolution proposed at the General Meeting to approve the Acquisition as set out in the Notice of General Meeting, with any permitted amendments thereto

<b>Revolving Credit Facility</b> . . .	The £270 million multicurrency revolving credit facility dated 19 December 2018 entered into by TP ICAP
<b>Rights Issue</b> . . . . .	the offer by way of a rights issue to Qualifying Shareholders to subscribe for New Ordinary Shares on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, the Provisional Allotment Letter
<b>Rights Issue Price</b> . . . . .	140.0 pence per New Ordinary Share
<b>Rule 144A</b> . . . . .	Rule 144A under the U.S. Securities Act
<b>Scheme</b> . . . . .	the scheme of arrangement to be proposed, in connection with the Redomiciliation, under Part 26 of the UK Companies Act 2006, between Parent and the Scheme Shareholders
<b>Scheme Circular</b> . . . . .	the circular to be sent by Parent to its shareholders in connection with the Scheme and prepared in accordance with the Listing Rules and the UK Companies Act 2006, containing, among other things, certain information about TP ICAP, New TP ICAP and the Redomiciliation and notice of the Court Meeting and notice of the Scheme General Meeting
<b>Scheme Effective Date</b> . . . .	the date on which the Scheme becomes effective in accordance with its terms
<b>Scheme General Meeting</b> . . .	the general meeting of TP ICAP to be convened for the purposes of considering, and if thought fit, approving certain matters in connection with the Scheme, including any adjournment thereof
<b>Scheme Meetings</b> . . . . .	the Court Meeting and the Scheme General Meeting
<b>Scheme Resolutions</b> . . . . .	(i) a resolution to approve the Scheme to be proposed to the Court Meeting; and (ii) the special resolutions to effect certain matters in connection with the Scheme to be proposed at the Scheme General Meeting, to be set out in the notice of the Scheme General Meeting in the Scheme Circular
<b>Scheme Shareholders</b> . . . . .	holders of Scheme Shares, from time to time
<b>Scheme Shares</b> . . . . .	shares of TP ICAP that are subject to the Scheme
<b>SDRT</b> . . . . .	stamp duty reserve tax
<b>SEC</b> . . . . .	the U.S. Securities and Exchange Commission
<b>Section 903 notice</b> . . . . .	a notice requiring any of the information mentioned in Section 793 of the Companies Act
<b>Share Plans</b> . . . . .	means the TP ICAP Long Term Incentive Plan, the TP ICAP Special Equity Award Plan and the TP ICAP Deferred Bonus Plan
<b>Shareholders</b> . . . . .	holders of Ordinary Shares
<b>SID</b> . . . . .	Angela Knight, the senior independent director appointed by the Board
<b>Special Dealing Service</b> . . . .	the dealing service being made available by Link Group to Qualifying Non-CREST Shareholders who are private individuals with a registered address in the United Kingdom or any other jurisdiction within the EEA who wish to sell all of their Nil Paid Rights or to effect a Cashless Take-up
<b>Special Dealing Service Terms and Conditions</b> . . . . .	means the terms and conditions of the Special Dealing Service
<b>Standby Underwriting Letter</b> . . . . .	the standby underwriting letter entered into between the Company and HSBC on 9 October 2020 relating to the Rights Issue and further described in paragraph 14.5 of Part XVIII: “ <i>Historical Financial Information of the TP ICAP Group</i> ” of this document
<b>TP ICAP Group</b> . . . . .	TP ICAP plc and its subsidiaries and subsidiary undertakings, and, where the context requires it, its associated undertakings from time to time

<b>TP ICAP 2017 Annual Report</b> . . . . .	the TP ICAP Group’s annual report and financial statements for the year ended 31 December 2017
<b>TP ICAP 2017 Financial Statements</b> . . . . .	the TP ICAP Group’s audited consolidated financial statements for the year ended 31 December 2017 as reported in the 2017 Annual Report
<b>TP ICAP 2018 Annual Report</b> . . . . .	the TP ICAP Group’s annual report and financial statements for the year ended 31 December 2018
<b>TP ICAP 2018 Financial Statements</b> . . . . .	the TP ICAP Group’s audited consolidated financial statements for the year ended 31 December 2018 as reported in the 2018 Annual Report
<b>TP ICAP 2019 Annual Report</b> . . . . .	the TP ICAP Group’s annual report and financial statements for the year ended 31 December 2019
<b>TP ICAP 2019 Financial Statements</b> . . . . .	the TP ICAP Group’s audited consolidated financial statements for the year ended 31 December 2019 as reported in the 2019 Annual Report
<b>U.S. dollars or \$</b> . . . . .	the lawful currency of the United States of America
<b>U.S. GAAP</b> . . . . .	U.S. Generally Accepted Accounting Principles
<b>U.S. GAAS</b> . . . . .	U.S. Generally Accepted Auditing Standards
<b>U.S. Holder</b> . . . . .	has the meaning given in paragraph 17 of Part XXIV: “ <i>Additional Information</i> ” of this document
<b>UK Corporate Governance Code</b> . . . . .	the UK Corporate Governance Code dated July 2018 issued by the Financial Reporting Council
<b>UK Prospectus Regulation</b> . . . . .	the UK version of Regulation (EU) 2017/1129, which is part of UK law by virtue of the EUWA
<b>uncertificated or uncertificated form</b> . . . . .	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>Underwriters</b> . . . . .	HSBC, BofA Securities, JP Morgan and Peel Hunt
<b>Underwriting Agreement</b> . . . . .	the underwriting agreement entered into between the Company, HSBC, BofA Securities, JP Morgan and Peel Hunt relating to the Rights Issue and as further described in paragraph 13 of Part XXIV: “ <i>Additional Information</i> ” of this document
<b>United Kingdom or UK</b> . . . . .	the United Kingdom of Great Britain and Northern Ireland
<b>United States or U.S.</b> . . . . .	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>U.S. Securities Act</b> . . . . .	the U.S. Securities Act of 1933, as amended
<b>VAT</b> . . . . .	value added tax

## TECHNICAL GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

<b>Algos</b> . . . . .	Adaptive learning algorithms specifically designed for institutions and their unique workflows to allow execution in Liquidnet’s liquidity pool and on other venues; features a patented algorithm ranking model with real-time course correction
<b>All-to-All (A2A)</b> . . . . .	OTC trading market which allows any member, dealer or client, to negotiate and trade with any other member
<b>Attribute-Based Inquiries</b> . . . . .	A Liquidnet FIX protocol which enables clients to search for liquidity using attributes, tickers, or a larger list of bonds
<b>Block trading</b> . . . . .	Trading by institutional investors, generally of large positions, executed so as to avoid the negative impact those trades may have on price as they are executed
<b>blotter-sync technology</b> . . . . .	An automated workflow solution integrating client-side order management systems (OMS) and execution management systems (EMS) with Liquidnet—where client’s orders are automatically mirrored in Liquidnet’s liquidity pools on an uncommitted basis—allowing client’s to automatically search for liquidity in Liquidnet’s network
<b>Client-to-Client (C2C)</b> . . . . .	OTC trading market which allows only buy-side clients to negotiate and trade with other buy-side clients
<b>dealers</b> . . . . .	Include banks, sell-side institutions, and market-makers
<b>Dealer-to-Client (D2C)</b> . . . . .	OTC trading market which allows only dealers to negotiate and trade with buy-side clients
<b>Dealer-to-Dealer (D2D)</b> . . . . .	OTC trading market which allows only dealers to negotiate and trade with other dealers
<b>Dark matching</b> . . . . .	A Liquidnet FIX protocol which connects participants with opposite indications for liquidity discovery and price negotiation with maximum information protection, facilitating large orders or less liquid securities
<b>Dark trading</b> . . . . .	Non-exchange-based trading between intermediaries interested in placing orders for the trading of specific securities without information leakage
<b>Dark pools</b> . . . . .	Networks, including privately held trading forums, exchanges or markets which allow investors to engage in “dark trading” of large orders without giving away their positions (pre-trade transparency) during the search for a counterparty, in order to avoid distorting the market
<b>EMS</b> . . . . .	Execution management systems—electronic system developed to execute securities orders in an efficient and cost-effective manner.
<b>FIX protocol</b> . . . . .	Financial information exchange (FIX) protocol—an electronic communication protocol supporting trade allocation, order submissions, order changes, execution reporting and advertisements—used by members and non-member buy-side clients
<b>Global Trading Desk</b> . . . . .	Specialised regional trading desks to help direct order on client’s behalf for both single stock and program trading
<b>Liquidnet 5</b> . . . . .	Equities desktop trading application for accessing the Liquidnet platform
<b>Lit book</b> . . . . .	Enables members to display all or part of their indication to participants in the network
<b>Low touch trading</b> . . . . .	trades executed with a minimum of human interaction and decision-making, for example by use of computer algorithms that execute orders around a set of parameters

<b>Negotiated Blocks</b> . . . . .	Members can use block matching technology to negotiate a price / quantity or execute at the midpoint of the bid-ask price
<b>OMS</b> . . . . .	Order management systems—electronic system developed to execute securities orders in an efficient and cost-effective manner
<b>OTAS</b> . . . . .	OTAS Technologies Holdings LTC
<b>Quiet Signal</b> . . . . .	Quiet Signal, Inc.
<b>RFQ</b> . . . . .	Request for quote—the dominant FIX protocol, whereby asset managers ask dealers for a quote on a trade they would like to carry out
<b>REL</b> . . . . .	Research Exchange Limited
<b>RV business</b> . . . . .	Relative Value business
<b>Substitute liquidity</b> . . . . .	A Liquidnet FIX protocol which alerts members to liquidity opportunities in similar bonds to the assets in their blotter
<b>Surge capture</b> . . . . .	Allows traders to automatically take advantage of the increased volume and volatility that typically occurs in the market immediately following a block trade.
<b>Targeted Invitations</b> . . . . .	A Liquidnet FIX protocol which enhances liquidity by allowing members to anonymously unlock latent liquidity

