



TP ICAP Group plc

Remuneration Disclosure Statement – June 2022

The Financial Conduct Authority ('FCA') IFPRU Remuneration Code ('the Remuneration Code') applies to the UK regulated entities of TP ICAP Group Plc. The UK regulated entities are IFPRU limited license firms and designated as "level three" under the FCA's proportionality framework.

The following disclosures explain how TP ICAP has complied with the regulatory requirements under the Remuneration Code. This disclosure should be read in conjunction with the Directors' Remuneration Report on pages 120-147 of the 2021 Annual Report and Accounts, which provides further information on the activities of the Remuneration Committee and our remuneration policies and principles.

This disclosure covers remuneration paid in respect of the financial period from 1 January 2021 to 31 December 2021.

Decision-making process on the remuneration policy

The Group has established the Group Remuneration Committee ('the Remuneration Committee') which consists of Non-executive Directors of TP ICAP Group plc. The Committee met 12 times during 2021 to consider issues relating to the Group's remuneration policy and the remuneration structures for all employees across the Group. The Remuneration Committee's responsibilities include recommending to the Board the Directors' Remuneration Policy, overseeing the remuneration governance framework and ensuring that remuneration policies and practices are consistent with effective risk management. The Remuneration Committee determines the remuneration for the Executive Directors and other members of the senior management team. The Remuneration Committee also has oversight over the remuneration of Control Function Heads and other Material Risk Takers ('MRTs'), as well as providing oversight over the remuneration policies for the wider workforce population. The Remuneration Committee determines Directors' remuneration in the context of remuneration across the Group, including taking into account financial and non-financial performance across the Group, as well as considering the remuneration outcomes for the support staff.

To avoid conflicts of interest, no Executive Director or employee participates in decisions relating

to the determination of their own remuneration. The Remuneration Committee's terms of reference, which are reviewed regularly by the Board are available on the Investor section of the Group's website and can be found [here](#).

The Remuneration Committee received advice from PricewaterhouseCoopers LLP during the year. The Committee assesses the performance of its external advisers annually to ensure that the advice provided is independent of any services provided to management. The role and activities of the Committee and their use of advisers are further detailed in the Directors' Remuneration Report and the Committee's Terms of Reference (both of which are available on the Group's website).

The Group also has also established the UK RE/EMEA Remuneration Committee ('UK RE/EMEA RemCo') which is responsible for supporting the Group Remuneration Committee in discharging its responsibilities on remuneration. On behalf of the EMEA Board, the UK RE/EMEA RemCo is responsible for maintaining formal and transparent policies on remuneration that are aligned to the Group's long-term strategic goals, culture and have regard to the risk appetite of the Group.

The UK RE/EMEA RemCo is responsible for reviewing the application of the remuneration policies for the EMEA Senior Management Team, brokers, employees engaged in Control Functions, and all Material Risk Takers in compliance with the Remuneration Code or other regulation under which the Company or any legal entities within EMEA operate.

The Remuneration Committees developed the Group's remuneration policy with a number of principles in mind. These principles and their application within the remuneration policy are reviewed annually by the Remuneration Committees. The Group remuneration policy is designed to promote the long-term success of the Group and has been developed in line with the following principles:

- Aligned with shareholders: A proportion of variable remuneration is granted in the form of deferred awards in the form of notional shares over the Group's Equity Linked Plan or deferred share awards under the TP ICAP Group Deferred Bonus Plan, thereby aligning the interests of our employees and shareholders. In addition, the Executive Directors of TP ICAP Group Plc are required, over time, to acquire and retain a minimum shareholding of Group shares. For the Chief Executive Officer ('CEO') the minimum shareholding level is 300% of salary and for the Chief Financial Officer ('CFO') and the Group General Counsel ('GGC') the shareholding requirement is 200% of base salary. On stepping down, the Executive Directors will be expected to retain shares equal to their in-role requirement (300% of salary for CEO and 200% of salary for other Executive Directors) or the actual shareholding on departure if lower until year two following cessation of employment.
- Aligned with financial performance: The annual bonus pool for support staff is calculated each year based on the Group's overall financial performance. The bonus pool is based on profitability and revenue (with some adjustments). The bonus pool is subject to any necessary adjustments to ensure that the total spend on remuneration does not undermine

the Group's capital base and reflects any financial and non-financial risk events that may have occurred during the performance year and is approved by the Group Remuneration Committee.

- Competitive pay package: Employees receive a competitive remuneration package, which is reviewed annually and is benchmarked by reference to peers and the external market (including our competitors). We seek to attract and retain high-performing and motivated employees and remunerate them with a competitive pay package.
- Rewarding positive behaviours in line with our values: We reward behaviors that create sustainable results in line with our core values of honesty, integrity, respect and excellence ('HIRE') and do not encourage excessive risk taking and are in line with our current risk and conduct framework.

Material Risk Takers as defined by the European Banking Authority's qualitative and quantitative criteria

The MRTs identified under the CRD IV criteria include the following:

- Executive and Non-Executive Directors of the regulated entities;
- Members of senior management across the Group;
- Heads of business units;
- Heads of Control and Support Functions (Internal Audit, Compliance, Legal and Human Resources) and any individuals within their control who can have a material impact on the firm's risk profile;
- Other employees who the Group deems may have a material impact on the firm's risk profile through their professional activities; and
- Employees who receive total remuneration that exceeded EUR 500,000 in the previous performance year and who can have a material impact on the firm's risk profile.

The MRT population is determined in accordance with Technical Standards issued by the European Banking Authority with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.

The MRT identification framework was reviewed by the Chief Risk Officer with input from the other Control Functions in 2021 and their input was reflected as appropriate. The MRT identification framework and MRT list was reviewed and approved by the UK RE/EMEA Remuneration Committee.

Link between pay and performance

In 2021, the remuneration for employees generally comprised of fixed compensation (base salary or fees) and variable compensation. The Group Remuneration Committee and the UK RE/EMEA Remuneration Committee have appropriate oversight over pay decisions for all employees who are identified as MRTs.

All MRTs receive either a fixed salary or fees (for Non-executive Directors) that reflects a market competitive rate of pay, taking account of the employee's role and responsibilities, skills and experience and ongoing contribution to the Company.

Fixed pay also includes appropriate benefits and pension to help recruit and retain talent, whilst reflecting local market practice and to support employee health and wellbeing.

Variable pay is principally comprised of the annual discretionary bonus award for support staff and other discretionary schemes for the brokers which aim to motivate employees to achieve the Company's financial objectives which are consistent with the Group's strategy. Non-financial criteria, including adherence to the Group's risk management policies and practices are also assessed as part of the performance management process.

Non-executive Directors are not entitled to receive any variable pay.

There are a number of different bonus schemes in operation across the Group for the Brokers, Senior Management and other employees. Brokers' bonus schemes are described below; all other bonuses are generally discretionary, determined on the basis of performance (both individual and overall Company performance). The performance assessment at an individual level takes into account the individuals compliance with TP ICAP's core values and conduct.

The Group's Remuneration Policy for Brokers is based on the principle that remuneration is directly linked to financial performance, generally at a desk/team level, and is calculated in accordance with formulae set out in contracts of employment/service agreements. These calculations are overlaid with an assessment of individual performance and conduct against the core Group values - Honesty, Integrity, Respect and Excellence. Awards can be reduced (including down to nil) in certain circumstances.

Employees who adhere to TP ICAP's core values of Honesty, Integrity, Respect and Excellence and contribute to the Group's success are rewarded accordingly. For support staff, this is achieved by basing the performance assessment on clear standards of delivery and behaviour, which starts with the employees aligning their objectives to the business and team goals in order to support the delivery of the business strategy. Whilst the processes used to assess performance vary for our brokers and support staff, all employees are assessed against both financial and non-financial criteria.

Feedback from the Control Functions is taken into account via the Risk Adjusted Performance Reward Process ('RAPR') for support staff and via the Performance Conduct and Bonus Review Process (the 'PCB process') for the brokers prior to the payment of any variable pay. In addition, the Conduct Review Forum (the 'Forum') may adjust bonuses (including in-year adjustment as well as malus and clawback) following an investigation and/or disciplinary. Through our approach to performance management, consideration is given to both "what" an individual has delivered as well as "how" the individual has achieved their objectives. Both of these elements are assessed at year-end and this constitutes to the year-end performance rating for support staff. Discretionary bonus awards for the support staff are determined by reference to the overall firmwide performance, business unit and individual performance.

Risk adjustment

The annual bonus pool for support staff is calculated each year based on the Group's overall financial performance. The bonus pool is based on profitability and revenue (with some adjustments). The bonus pool is subject to any necessary adjustments to ensure that the total spend on remuneration does not undermine the Group's capital base and reflects any financial and non-financial risk events that may have occurred during the performance year and is approved by the Group Remuneration Committee.

Control Function Heads will provide input when setting the bonus pool for support staff to ensure relevant information, including risk events or exposures are taken into account. Internal and external breaches are escalated by the Control Functions to allow these to be taken into consideration when making individual variable pay decisions. When determining individual bonus awards for support staff, the Executive Committee and in turn the Remuneration Committees will take into account of performance scorecards, risk events, compliance breaches and overdue training.

A key feature of TP ICAP's remuneration philosophy is the alignment of remuneration with risk appetite and with the conduct expectations of the Group and other stakeholders. The Group ensures that any variable remuneration paid to support staff, including the deferred portion, only vests or is paid if it is sustainable according to the financial situation of TP ICAP as a whole, and it is justified on the basis of the performance of the firm, the business units/function and individuals concerned. TP ICAP ensures that when calculating and allocating variable remuneration pools at year-end to support staff (which includes the Control Functions), it takes into account all types of current and future risk and the costs of the capital and liquidity required in accordance with the FCA's Remuneration Code.

The Conduct Review Forum and Control Functions provide input to the Remuneration Committee's on year-end outcomes. These forums will typically review individual conduct and disciplinary cases and make decisions for a compensation adjustment based on the outcome of any disciplinary sanctions. TP ICAP has a robust process for considering risk and conduct as part of the individual performance management process with outcomes reflected in individual remuneration decisions.

Quantitative remuneration disclosures

The aggregate total compensation cost for the Material Risk Takers was **£205,548,822** broken down as follows:

Senior Management:	£25,978,338
All Other Material Risk Takers:	£179,570,484