



Tradition UK Holdings

MIFIDPRU External Disclosures

2025

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1. Introduction

1.1. Overview

Tradition UK Holdings Limited (“TUH”) is a UK-incorporated holding company comprising four investment firms that are authorised and regulated by the Financial Conduct Authority (“FCA”). The four entities are classified as non-small and non-interconnected (non-SNI) MIFIDPRU investment firms under the UK Investment Firms Prudential Regime (“IFPR”).

The FCA-regulated entities within the TUH consolidation group are as follows:

- Tradition (UK) Limited (“TUK”)
- Tradition Financial Services Limited (“TFS”)
- TFS Derivatives Limited (“TFD”)
- Tradition London Clearing Limited (“TLC”)

Each of these entities operates as an interdealer broker or provider of related financial services and is subject to individual FCA authorisation and prudential supervision under MIFIDPRU.

TUH previously owned a Spanish subsidiary, TFS España Sociedad de Valores S.A.U. (“TFSE”), which is authorised and regulated by the Comisión Nacional del Mercado de Valores (“CNMV”). TFSE formed part of the TUH prudential consolidation group until its disposal in July 2025. Following this disposal, TFSE ceased to form part of the TUH prudential consolidation group for prudential and disclosure purposes.

In December 2025, TUK became a subsidiary undertaking of TLC as part of an internal group restructuring intended to strengthen TLC’s position as a settlement services provider.

Administrative and support services for the TUH group are provided by Tradition Management Services Limited (“TMS”), a UK-incorporated affiliate. TMS is not an FCA-regulated entity and does not carry out regulated activities. It provides operational support, including finance, IT, human resources, compliance, and facilities management, under a group service agreement. Costs incurred by TMS are recharged to the appropriate TUH entities in accordance with transfer pricing principles.

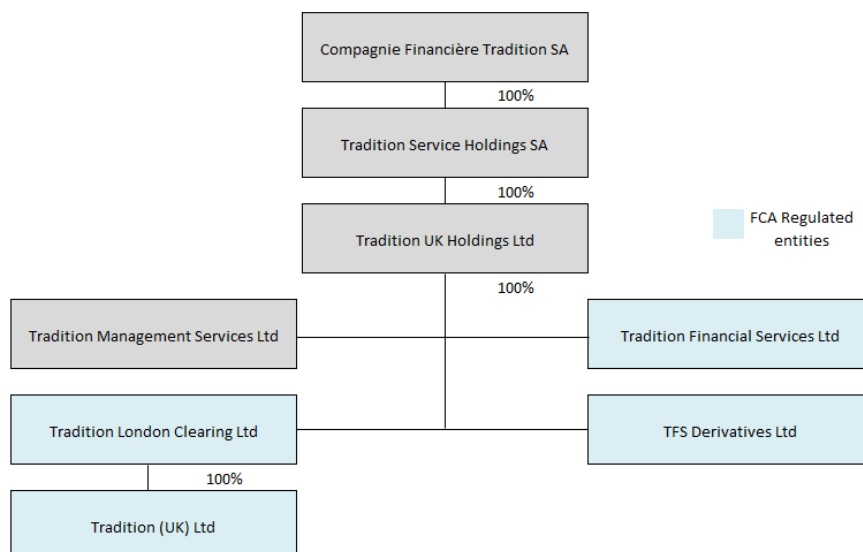
All TUH entities are subsidiaries of their ultimate parent, Compagnie Financière Tradition (“CFT”), which is the holding company of the Tradition businesses and is listed on the SIX Swiss Exchange.

TUH constitutes a UK prudential consolidation group in accordance with MIFIDPRU 2.

The Group is subject to consolidated obligations under MIFIDPRU, including the Internal Capital Adequacy and Risk Assessment (“ICARA”) process, consolidated own funds requirements, group-level governance and risk management obligations, and the requirements relating to public disclosure under MIFIDPRU 8.

These disclosures are prepared annually in accordance with MIFIDPRU 8 and are published on the Group’s website.

Figure 1 Corporate structure



1.2. Business Activities

TUH operates through four FCA-regulated subsidiaries—TUK, TFS, TFD, and TLC—providing interdealer brokerage and related financial market services. The Group acts as an intermediary in wholesale financial markets, facilitating the execution, negotiation, and settlement of transactions on behalf of institutional clients, primarily banks and investment firms.

The Group's activities span a range of asset classes and execution channels, including voice, hybrid, and electronic broking. TUH entities do not undertake proprietary trading activity, and all transactions are executed in response to client demand within defined brokerage and agency or matched principal frameworks.

Product coverage

TUH facilitates client trading activity across a broad range of wholesale financial instruments, including:

- Treasury products
- Interest rate derivatives, including swaps and related OTC instruments
- Fixed income securities, including government and corporate bonds
- Equities, including cash equity execution
- Foreign exchange products
- Energy-related products and commodities-linked derivatives

These products are intermediated across both over-the-counter (OTC) and exchange-traded markets, depending on the nature of the instrument and client requirements.

The Group also provides market data services, delivering real-time pricing information to clients and third-party data providers to support transparency and trading decisions. These services are primarily delivered within TMS under group service arrangements.

Brokerage and execution models

TUH intermediates transactions using a range of brokerage models, which determine each entity's role in execution and settlement and reflect differing client, product, and market requirements.

Name Give-Up

The Name Give-Up model is the Group's primary brokerage model. Under this arrangement, brokers act as intermediaries between counterparties, facilitating the negotiation and execution of transactions without taking principal risk.

In voice markets, execution typically requires bilateral confirmation between counterparties. In electronic markets, including Multilateral Trading Facilities (MTFs), trades may execute directly against firm prices.

Once trade terms are agreed, counterparty identities are disclosed (“given up”), after which the Group entities steps away from the transaction. The resulting bilateral obligations are settled directly between counterparties, and the Group earns brokerage commission for arranging the trade.

Matched Principal model

Under the Matched Principal model, a TUH entity interposes itself between buyer and seller, executing simultaneous offsetting trades on a principal basis. This results in two separate contractual relationships with each counterparty, while maintaining a risk-neutral position overall.

This model is primarily used in cash equity and fixed income markets where clients require anonymity or where trade aggregation is required to reduce settlement complexity.

Matched Principal activity creates direct settlement obligations with both counterparties, typically involving Delivery versus Payment (DVP) and Receipt versus Payment (RVP) settlement mechanics. Access to intraday credit lines may be required to support settlement flows.

Matched Principal transactions are executed strictly on the basis of firm client orders and are not used for speculative or proprietary trading purposes. Brokerage remuneration is either embedded within the execution price or charged as a separately disclosed fee.

Exchange Give-Up (Executing broker model)

In derivatives markets, particularly where exchange-traded instruments exist (including venues such as Euronext, ICE Futures Europe, and Eurex), TUH entities may act as executing brokers for clients without direct exchange membership.

Orders are received from clients and executed either in the Group’s own name or via a third-party executing broker. Following execution, positions are given up to the client through the relevant clearing house, typically within the same trading day. During this process, the Group may hold a temporary intraday position but generally does not retain end-of-day exposure.

Brokerage fees are charged for execution services and invoiced in accordance with agreed client arrangements.

Cash equity execution and Direct Market Access (DMA)

For cash equity markets, TUH provides access to exchange-traded equities and may facilitate execution via Direct Market Access (DMA) arrangements or through third-party executing brokers where appropriate.

Client orders are received either verbally or electronically through order management systems. Orders are transmitted for execution on relevant trading venues, and post-trade processing—including confirmations and settlement—is supported through integrated systems interfacing with clearing and settlement infrastructure.

In certain cases, TUH entities execute in their own name for settlement purposes before passing positions through to client accounts in accordance with agreed arrangements.

Prime brokerage intermediation

For certain foreign exchange and OTC derivative transactions, TUH facilitates execution through prime brokerage arrangements. Under this model, the prime broker acts as principal to the transaction, with counterparty credit exposure resting with the prime broker rather than the TUH entity.

This structure reduces bilateral credit exposure between TUH entities and end clients while enabling efficient execution and settlement. For centrally cleared OTC derivatives, including interest rate swaps, execution may be supported through prime brokerage arrangements that provide access to central clearing houses via general clearing membership.

1.3. Scope of Disclosures

The Investment Firms Prudential Regime (“IFPR”) was introduced in January 2022 and applies to TUH and its UK-regulated subsidiaries. The IFPR requirements are set out in the FCA’s MIFIDPRU sourcebook, including MIFIDPRU 8 (Public Disclosures).

These disclosures are prepared on the basis of the TUH prudential consolidation group in accordance with MIFIDPRU 2 and MIFIDPRU 8.

TUH’s MIFIDPRU disclosures are not subject to independent audit. However, where disclosure information is derived from or consistent with figures included in the Group’s Annual Report and Financial Statements, those underlying financial statements are independently audited. The disclosures have been reviewed and approved in accordance with the Group’s internal governance framework, including senior management oversight and approval by the Board of Directors.

1.4. Level of Application

TUH’s UK entities share common directors, and the TUH Board meets to govern and oversee the activities of the UK entities. The TUH Board operates under the delegated authority of, and reports to, the CFT Group Board.

The TUH Board is responsible for the direction, strategy and management of TUH entities; setting culture, values and standards; monitoring business performance; and overseeing systems and controls.

2. Governance Arrangements

2.1. Board Governance and Control

TUH's UK entities share common directors, and the TUH Board meets to govern and oversee the activities of the UK entities. The TUH Board operates under the delegated authority of, and reports to, the CFT Group Board.

The TUH Board is responsible for the direction, strategy and management of TUH entities; setting culture, values and standards; monitoring business performance; and overseeing systems and controls.

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

The number of external directorships held by members of the TUH management body outside the wider Tradition Group is disclosed to demonstrate that Board members have sufficient capacity to discharge their responsibilities effectively and that external appointments do not adversely impact their ability to fulfil their duties. In accordance with MIFIDPRU 8.3.2G, external directorships in entities that are not material to TUH's regulated activities may be excluded from this disclosure where they are not relevant to the assessment of Board capacity or potential conflicts. All relevant external roles are subject to assessment for potential conflicts of interest and time commitment considerations as part of the Group's governance and suitability processes.

	Executive Directorships	Non-Executive Directorships
Non-Executive Directors		
Iain Alexander Cummings		2
Thierry Jean Philippe Sciard		
William Pierre Francois Norbert Wostyn		
Christian Marcel Michel Baillet		
Christophe Jean Hemon		1
Francois Brisebois		
Executive Directors		
Javid Soli Canteenwala		
Mark Timothy Fennell		
Michael Jon Anderson	1	1
Rob Kitchin		
Tristan de Saint Ouen		

2.2. Internal Governance Arrangements

TUH has established a governance and control framework that defines the structure and operation of the Board, its committees, and delegated approval authorities. The framework encompasses risk appetite, policy governance, business performance oversight, limits setting, delegation of authority, capital management, and assurance processes.

The TUH Board retains overall responsibility for the governance of the Group, including oversight of strategy, risk management, capital adequacy, and internal control systems.

The following committees report to the TUH Board:

Audit Committee

The Audit Committee is responsible for monitoring the integrity of TUH's financial reporting, reviewing and approving financial statements, and overseeing the effectiveness of the internal audit function.

Risk and Compliance Committee

The Risk and Compliance Committee provides independent oversight and assurance to the TUH Board regarding the effectiveness of the Group's risk management framework. Its responsibilities include:

- reviewing the enterprise-wide risk management framework, including risk appetite, risk and control self-assessments, and key risk indicators;
- providing assurance on the effectiveness of internal controls, systems, policies, and procedures;
- reviewing the adequacy of business continuity arrangements.

Remuneration Committee

The Remuneration Committee exercises independent judgment on remuneration policies and practices and ensures that remuneration structures are consistent with effective risk management and do not encourage excessive risk-taking.

Nominations Committee

The Nominations Committee oversees matters relating to the composition, effectiveness, and succession planning of the TUH Board and senior management, including the skills and experience required for Board appointments.

ICARA Management Control Group

The ICARA Management Control Group (“IMCG”) supports the Internal Capital Adequacy and Risk Assessment (“ICARA”) process for TUH and its regulated entities.

The IMCG considers matters relating to the identification and assessment of harms, including scenario analysis and stress testing across the TUH group.

The IMCG is responsible for:

- Reviewing and assessing material risks and harms relevant to ICARA
- Supporting preparation and coordination of ICARA documentation
- Overseeing capital and liquidity stress testing and scenario design
- Escalating material issues affecting capital or liquidity adequacy
- Reviewing regulatory developments impacting ICARA

The IMCG meets at least quarterly, with additional meetings convened as required. Material outputs are escalated through executive governance structures and would be reflected in the subsequent ICARA documents written.

2.3. Board Recruitment and Diversity

The appointment of members of the management body is conducted in accordance with FCA requirements, including appropriate suitability assessments. A structured, multi-stage recruitment and selection process is applied in line with TUH’s equal opportunities policy to ensure that prospective directors are assessed based on their skills, knowledge, experience, and ability to contribute to the strategic objectives of the Group.

The Nominations Committee oversees matters relating to Board composition, succession planning, and diversity considerations in respect of Board appointments.

The Board has established diversity considerations as part of its broader governance objectives, including the promotion of effective decision-making and the alignment of culture, conduct, and governance outcomes. The Group’s Diversity and Inclusion Policy supports ongoing initiatives to enhance diversity across the organisation, including gender balance at senior levels.

TUH is committed to maintaining a diverse and inclusive working environment across its international operations. All remuneration policies are gender neutral and are designed to ensure that remuneration decisions are not influenced by any protected characteristic. The Group does not permit discrimination in any aspect of employment and promotes equal opportunities across all business areas.

3. Risk Management Objectives and Policies

3.1. Risk Management Overview

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

The objectives of TUH's EWRMF are to:

- identify and assess risks posed to TUH entities;
- identify, implement, assess and monitor mitigation strategies in order to reduce TUH entities' gross risk exposure;
- alert TUH Board of any substantive threats to its risk appetite;
- identify, record and analyse risk events;
- monitor key risks and report on their threat levels;
- To promote that issues identified internally or by third parties are recorded, remediated, escalated and reported;
- To establish and maintain an Enterprise-wide Risk Management Framework that is integrated and cohesive (including the frameworks for Operational Risk Management, Liquidity Risk Management, and Operational Resilience / Important Business Services as defined under SYSC 15A) To provide senior management with risk-related information in order to encourage risk-informed decision making;
- embed a robust risk management culture within TUH; and
- contribute to the risk-based quantification of regulatory capital and to the continuous improvement of the management of the capital requirements.

3.2. Risk Oversight

The Executive Committee implements Board strategy and oversees major business decisions and associated risks. The Executive Risk Committee ("ERC") monitors risk identification, assessment and management across the Group.

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

3.3. Board Risk Appetite

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

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

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

3.4. Principal Risks and the Potential for Harm

The Board assesses principal risks and sources of potential harm that TUH could cause through the conduct of its activities and changes to its business model. A central feature of the EWRMF that has specific importance for identification of principal risks is the Risk and Control Self-Assessment ('RCSA') process where management throughout TUH identify and assess the risks facing their business. The approach is documented in the RCSA Policy.

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

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

For prudential and harm-assessment purposes, TUH's principal risks (as derived from the RCSA and mapped to the Level-1 categories in the EWRMF) include::

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

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

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

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

Group risk: TUH is exposed to group risk due to interconnectedness with affiliates.

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

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

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

3.5. Strategies to Manage Risks and Reduce Harms

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

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

ERC reviews the capital and liquidity position of each TUH entity for signs of deterioration. It receives advance notification from the Executive Committee and / or New Business Initiatives Control Group of business changes that may impact an entity's financial resources or risk profile. ERC assess and report implications of the proposed changes (to risk profile, strategy or business plans) on capital planning to the Executive Committee. If the requirement for additional capital arises then the Board is alerted.

The Chief Risk Officer ("CRO") is the head of the independent Risk Management function and reports to the Risk and Compliance Committee (RCC) on TUH's risk profile and principal risks. The CRO maintains the EWRMF, which is owned and approved by the Board, as well as the Firm's risk policies. The CRO also provides independent oversight and challenge on material risks and major initiatives. The CRO also contributes to the ICARA and Liquidity Adequacy Assessment, including stress testing and the

assessment of recovery and wind-down options, and considers whether the ICARA requires updating following material changes in TUE's risk profile.

4. Own Funds

TUH's own funds consist of Common Equity Tier 1 (CET1) capital, comprising share capital, share premium and retained earnings. These instruments meet the conditions for inclusion in CET1 capital under the applicable requirements.

TUH does not have Additional Tier 1 capital. Accordingly, CET1, Tier 1 and total capital are identical.

TUK holds Tier 2 capital in the form of an intercompany loan from TUH, which meets the eligibility criteria for Tier 2 capital under the applicable requirements. The amount of Tier 2 capital remains within regulatory limits.

Capital deductions are applied in accordance with UK CRR Article 36 and a prudent valuation adjustment is applied in accordance with UK CRR Article 105. The UK CRR framework remains relevant for the definition of own funds components and associated deduction requirements under the MIFIDPRU regime, including CET1 deductions such as intangible assets (including goodwill).

At 31 December 2025, the total own funds of TUH's UK regulated entities were as follows:

Figure 3 Consolidated composition of TUH regulatory own funds at 31 December 2025

£'000		Amounts (£)	Source in audited financial statements
1	Own Funds	110,813	
2	Tier 1 Capital	110,813	
3	Common Equity Tier 1 Capital	110,813	
4	Fully paid up capital instruments	100	Note 12
5	Share premium	-	
6	Retained earnings	111,963	
8	Other reserves	8,232	
11	(-) Total Deductions from Common Equity Tier 1	(9,482)	
19	CET1: Other capital elements, deductions and adjustments	(9,482)	
20	Additional Tier 1 Capital	-	
25	Tier 2 Capital	-	
26	Fully paid up, directly issued capital instruments	-	

Figure 4 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

£'000	Balance sheet as in audited financial statements As at 31 December 2025	Under regulatory scope of consolidation As at 31 December 2025	Cross-reference to regulatory own funds
Non-current assets			
Investments	133,582	37,197	
	133,582	37,197	
Current assets			
Debtors	181	3,857,588	
Amounts receivable from subsidiaries	3,496	4,633	
Corporation tax	(117)	27,196	
Cash at bank and in hand	1,745	99,406	
	5,305	3,988,823	
Current liabilities			
Creditors: amounts due within one year	7,357	3,905,483	
Loans payable to parent	7,934	-	
	15,290	3,905,483	
Net current assets	(9,985)	83,340	
Net assets	123,597	120,537	
Shareholders' Equity			
Called up share capital	100	100	Item 4
Profit and loss account	123,497	111,963	Item 6
Other Reserves		8,232	Item 8
	123,597	120,295	

Figure 5 Main features of own instruments issued by UK-regulated entities

	TUK	TUK	TFS	TFD	TLC	TMS
Issuer	Tradition (UK) Limited	Tradition (UK) Limited	Tradition Financial Services Limited	TFS Derivatives Limited	Tradition London Clearing Limited	Tradition Management Services Limited
Public or private placement	Private	Private	Private	Private	Private	Private
Instrument type	Ordinary shares	Subordinated loan	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
Amount recognised in regulatory capital	£50.6 million	£50.6 million	£14.8 million	£29.4 million	£32.3 million	N/A
Nominal amount of instrument	£51.3 million	£3.1 million	£15.3 million	£35.7 million	£128.5 million	-
Issue price	£1	£3.1 million	£1	£1	£1	-
Accounting classification	Shareholder's Equity	Loan receivable from Group	Shareholder's Equity	Shareholder's Equity	Shareholder's Equity	Shareholder's Equity
Original date of issuance	-	21 February 2008	-	-	-	-
Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
Maturity date	None	None	None	None	None	None
Issuer call subject to prior supervisory approval	No	No	No	No	No	No
Optional call date, contingent call dates and redemption amount	None	None	None	None	None	None
Subsequent call dates	None	None	None	None	None	None
Fixed or floating dividend/coupon	No	Floating rate interest	No	No	No	No
Coupon rate and any related index	None	UK Base Rate plus 0.25%	None	None	None	None
Existence of a dividend stopper	No	Not applicable	No	No	No	No
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
Write-down features	No	No	No	No	No	No

5. Own Funds Requirements

5.1. Own Funds Requirements

TUH's own funds requirement is calculated in accordance with MIFIDPRU 4.3, and is the highest of its:

- permanent minimum capital requirement under MIFIDPRU 4.4
- fixed overheads requirement under MIFIDPRU 4.5
- K-factor requirement under MIFIDPRU 4.6

Figure 6 TUH own funds requirements at 31 December 2025

£'000	TUH
Permanent Minimum Requirement (PMR)	1,575
Fixed Overheads Requirement (FOR)	22,157
K Factor Requirement (KFR)	32,703
of which RtC	79,778
of which RtM	0
of which RtF	31,036
Own Funds Requirement	32,703

5.2. Overall Financial Adequacy

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

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

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

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

6. Remuneration Policy and Practices

TUH applies the MIFIDPRU Remuneration Code on a consolidated basis across the Group.

Remuneration is a key driver of behaviour for regulated firms and individuals. Appropriate remuneration policies and practices support prudential soundness, effective risk management, and good conduct outcomes. They also reduce the risk of harm to clients, markets, and the firm.

6.1. Approach to Remuneration

TUH's Remuneration Policy sets out the policies, practices, and procedures applicable to all employees across the Group. The policy is designed to discourage excessive risk-taking behaviour and ensure that remuneration arrangements are consistent with effective risk management and aligned with long-term sustainable performance.

The Remuneration Policy is aligned with the Group's business strategy, risk appetite, cultural values, and risk management objectives. In particular:

- remuneration policies and practices are consistent with effective risk management and do not encourage risk-taking beyond the level of risk tolerated by the TUH Board;
- variable remuneration arrangements are designed so as not to impair the Group's ability to maintain adequate capital and liquidity resources;
- remuneration structures take into account conduct, compliance with internal policies and regulatory obligations, and risk-adjusted performance outcomes; and
- employees are not permitted to benefit from operational or booking errors.

The application of remuneration requirements is proportionate to the nature, scale, and complexity of the Group's activities.

6.2. Remuneration Governance

The TUH Remuneration Committee ("RemCo") is a committee of the Board comprising Non-Executive Directors, including at least one Independent Non-Executive Director. The Committee oversees remuneration policies and their application across the Group. The Chair and Committee members are members of the TUH Board who do not perform any executive function. Their own remuneration is fixed with no variable component.

RemCo is responsible for:

- oversight of remuneration policy design and implementation;
- approval and review of Material Risk Taker ("MRT") identification;
- oversight of remuneration for senior management and control functions;
- approval of significant remuneration decisions, including discretionary bonuses above defined thresholds; and
- oversight of remuneration adjustments arising from conduct, risk or performance considerations.

RemCo also ensures appropriate independence of control functions involved in remuneration oversight, including internal audit and compliance.

The Board reviews the Remuneration Policy at least annually to ensure ongoing alignment with regulatory requirements, business strategy, and risk appetite.

6.3. Material Risk Takers

The identification of Material Risk Takers is carried out in accordance with SYSC 19G and related FCA guidance. MRTs are individuals whose professional activities could have a material impact on the Group's risk profile.

MRTs are subject to enhanced remuneration governance, including:

- deferral of variable remuneration where applicable;
- exposure to malus and clawback mechanisms; and

- heightened accountability for conduct and risk outcomes, including indirect responsibility for teams and functions under their supervision.

MRTs are expected to ensure appropriate escalation of risk and conduct issues and to support a culture of effective risk management.

Figure 7 Total number of UK material risk takers

	Senior Management	Other Material Risk Takers	Total Material Risk Takers
Total Material Risk Takers	5	13	18

6.4. Components of Remuneration

TUH's remuneration framework consists of fixed and variable remuneration, pension contributions, and benefits in kind.

All employees are subject to performance assessment, which considers financial performance, conduct, compliance with internal policies, and adherence to regulatory requirements.

From time to time, an independent benchmarking exercise is conducted to ensure that TUH's compensation and benefits packages remain appropriate and competitive relative to industry peers. These reviews also include an assessment of remuneration offered to new hires, helping to ensure consistency and fairness across the Group.

During the 2025 performance year, TUH did not engage an external consultant to develop or revise its remuneration policy or practices. The policy was maintained and reviewed internally in accordance with established governance procedures.

Fixed remuneration

Fixed remuneration reflects professional experience, role, and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

It may include salary, fixed allowances, pension contributions, and other contractual benefits.

Variable remuneration

Variable remuneration includes discretionary bonuses, commission-based arrangements (where applicable), and other performance-related awards. This is thought to create an atmosphere of motivation to inspire heightened employee performance.

Variable remuneration is:

- contingent on sustainable, risk-adjusted performance;
- assessed against financial and non-financial criteria; and
- determined with reference to individual, business unit, and Group performance.

TUH does not award discretionary pension benefits.

Variable remuneration structures within TUH include the following components:

- Discretionary remuneration – bonuses are allocated by senior management. Factors considered include the employee's ability, performance and conduct, their personal contribution, the profitability of the employee's desk or business area, and the overall profitability of the Group.
- Formulaic remuneration – some broking employees receive variable remuneration pursuant to a contractually specified formula. Such formulae are established based on experience and market practice and are subject to regular review.
- Management percentage arrangements – certain front office managers receive all or part of their variable remuneration based on the profitability of the business area(s) for which they

have responsibility. Calculations are based on net profits and are paid in line with the remuneration cycle applicable to the relevant business area. Senior management performance is also assessed in the context of the strength or weakness of TUH's performance in the relevant period and anticipated market conditions.

Variable remuneration is quantified using a combination of financial and non-financial performance metrics, including multi-year assessment where appropriate.

Figure 8 Aggregate fixed and variable remuneration awarded to UK Employee in 2025

	Senior Management	Other Material Risk Takers	Other Staff	Total Remuneration
Fixed Remuneration	3.2	3.3	52.5	59.0
Variable Remuneration	1.0	1.3	71.9	74.2
Total Remuneration	4.2	4.6	124.4	133.2

Non-broking Employee are employed and remunerated in TMS, which acts as the TUH group's service company. These costs are recharged to TUH entities as part of the back office support costs allocation process.

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

Figure 9 Guaranteed variable remuneration awards and severance payments awarded to UK MRTs in 2025

	Senior Management		Other Material Risk Takers	
	Value	Number of MRTs Awarded	Value	Number of MRTs Awarded
Guaranteed Variable Remuneration Awards	£0	0	£0	0
Severance Payments Awarded	£0	0	£0	0
Total	£0	0	£0	0

Figure 10 Highest severance award to an individual MRT in the UK in 2025

Highest Severance Award to an Individual MRT	£0
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6.5. Performance Adjustment and Risk Alignment

TUH operates a comprehensive ex-post risk adjustment framework in line with SYSC 19G requirements. This includes:

- in-period adjustments;
- malus (reducing or cancelling unvested variable remuneration); and
- clawback (recovery of vested remuneration where appropriate).

Adjustments may be applied at:

- individual level;
- business unit level; or
- Group / bonus pool level in cases of systemic issues.

Performance adjustment may arise in relation to misconduct, control failures, risk management deficiencies, financial deterioration, or reputational impact.

Conduct framework

Conduct breaches are categorised into severity levels, which determine the expected scale of remuneration adjustment:

- Level 1 (most serious): up to 100% adjustment, including clawback in cases of fraud, intent, or severe negligence leading to significant loss;
- Level 2: up to 100% withholding of deferred awards and potential clawback of prior year awards;
- Level 3: up to 50% adjustment depending on severity, responsibility, and impact.

These adjustments apply irrespective of the remuneration structure (discretionary, formulaic, or profit-based).

Adjustments may apply not only to individuals directly responsible but also to managers and MRTs where oversight failures or accountability are identified.

6.6. Malus, Clawback and Deferral

Deferred remuneration is subject to malus until full vesting. Malus may be applied where there is:

- evidence of misconduct or material error;
- material downturn in financial performance; or
- material failure of risk management.

Clawback applies to vested remuneration and may be used where required, particularly in cases of fraud, intent, or severe negligence.

The clawback period is not time-limited and may extend indefinitely where justified.

6.7. Governance and Oversight of Variable Remuneration

The Remuneration Committee oversees:

- discretionary bonus pools;
- remuneration of MRTs and senior management;
- control function remuneration;
- termination and severance arrangements above defined thresholds; and
- remuneration decisions involving significant conduct or regulatory risk.

Benchmarking exercises may be undertaken periodically to ensure remuneration remains appropriate and competitive.

7. Investment Policy

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

Contact Us

For further information, please visit us at: tradition.com