

# Financial & Risk Transaction Services Ireland Limited

## 2020 REMUNERATION DISCLOSURES

### ARTICLE 96 CAPITAL REQUIREMENTS DIRECTIVE IV – COMPLIANCE WITH REMUNERATION ELEMENTS

Financial & Risk Transaction Services Ireland Limited (FRTSIL) is authorised and regulated in Ireland by the Central Bank of Ireland (“CBI”) with Reference Number C185017. FRTSIL is incorporated in Ireland and is a wholly owned subsidiary of Refinitiv Limited, itself a wholly owned subsidiary within the Refinitiv group of companies (the “Group”). The Refinitiv group of companies became part of the London Stock Exchange Group on the 1<sup>st</sup> March 2021.

FRTSIL has adopted remuneration policies and procedures that comply with the relevant remuneration requirements and are in accordance with EBA Guidelines on sound remuneration policies, in designing and maintaining its remuneration policy and procedures.

In light of the size, internal organisation and the nature, scope and profile of FRTSIL’s activities, FRTSIL does not have a Remuneration Committee and allocated responsibility for decisions regarding remuneration to the Board of Directors.

FRTSIL identifies staff to whom the relevant remuneration requirements apply in accordance with the relevant CBI rules, the Capital Requirements Directive (2013/36/EU) (**CRD IV**) and the Capital Requirements Regulation (575/2013) (**CRR**) – FRTSIL maintains records of those categories of staff whose professional activities have a material impact on FRTSIL’s risk profile and monitors this on an ongoing basis.

Following the identification of relevant staff, FRTSIL applies a remuneration approach which seeks to incentivise staff to perform effectively whilst adhering to FRTSIL’s risk appetite and risk management framework. The remuneration structure adopted by FRTSIL includes both fixed and variable elements – which are appropriately balanced to minimise risk. The remuneration policy ensures that the fixed element of an individual’s remuneration is based on professional experience and organisational responsibility. FRTSIL operates different variable remuneration schemes for different categories of staff. Each scheme awards variable pay based on individual performance in relation to the targets set for staff members (both financial and non-financial, and in line with customer best interests), adherence to risk and compliance policies, as well as wider capital and liquidity requirements of FRTSIL.

FRTSIL considers that its remuneration policy, which details the applicable remuneration structure, is in compliance with the requirements under CRD IV as implemented in Ireland. In reviewing and approving the policy, the Board of Directors assesses whether it is in line with FRTSIL’s business strategy, objectives, values and long-term interests on at least an annual basis. For detailed information on the remuneration policy please see the specific disclosures made by FRTSIL under Article 450 CRR.

### ARTICLE 450 CRR – REMUNERATION DISCLOSURE

#### 1 Remuneration policy decision-making process (Article 450(1)(a) CRR)

1.1 FRTSIL’s remuneration policy is established and monitored by the Board of Directors. The Board of Directors considers the Group-level remuneration policies/procedures and then utilises these to adopt appropriate local-level remuneration policies and procedures which are reflective of the risk management framework applicable to FRTSIL. The Board of Directors reviews and approves amendments to these policies and procedures as required by changes in legal requirements, staffing and/or the business of FRTSIL. The board is also responsible for ensuring the appropriate disclosures have been made in relation to the remuneration policy.

1.2 To assist in carrying out its responsibilities, the Board of Directors receives advice on any remuneration, risk, tax, accounting and regulatory issues, as required, from the HR, Compliance, Tax, Finance and Legal functions, as well as input from the Risk Committee.

## **2 Information on link between pay and performance, the design characteristics of the remuneration system and the key performance criteria for, and parameters of, variable remuneration (Article 450(1)(b), (c), (e) & (f) CRR)**

2.1 The remuneration policy is designed to ensure that effective performance is encouraged in a manner that mitigates and manages risk taking. It is a key principle of the policy that effective risk management is promoted at all levels of FRTSIL, and that all Staff Members<sup>1</sup> operate within the risk parameters set by the Board of Directors and do not undertake unnecessary risks.

2.2 FRTSIL compensates Staff Members through both fixed and variable compensation.

2.3 Fixed compensation comprises base salaries which are reviewed annually in accordance with the relevant Staff Member's appraisal process, market standards, the experience of the individual and their level of responsibility, and other benefits (e.g. certain insurance benefits and pension contributions).

2.4 A Staff Member may then also be awarded an element of variable compensation to recognise:

- (a) the overall performance of Refinitiv in total (of which FRTSIL is a part);
- (b) the extent to which the Staff Member achieved/exceeded their agreed objectives (determined as part of the Staff Member's appraisal process); and
- (c) the overall conduct of the Staff Member (monitored in relation to a number of matters on an ongoing basis).

2.5 This variable compensation (if earned) is awarded by means of a discretionary bonus scheme. Various schemes are operated for different categories of staff; however, each scheme is based on rewarding Staff Members in accordance with the above principles and ensuring effective risk management.

2.6 Discretionary variable pay awards can be delivered in two main forms: a cash bonus and/or a long-term cash award ("LTI"). Based on the application of proportionality, there is no deferral associated with either scheme. Long term awards are 60% performance based and 40% time based. The performance element is subject to a three-year vesting period. The time-based element vests in equal thirds, one, two and three years after grant date. FRTSIL is not engaged in trading or similar activities, nor are FRTSIL Staff Members able to take material risks that would positively impact the scale of variable bonuses. As a result, the Board of Directors does not require deferral of pay-outs to manage such a risk. Following the conclusion of the London Stock Exchange Group takeover of Refinitiv, malus and clawback applies.

## **3 Ratios between fixed and variable remuneration (Article 450(1)(d) CRR)**

3.1 FRTSIL does not apply a ratio of fixed to variable remuneration.

## **4 Aggregate quantitative information on remuneration (per business area) (Article 450(1)(g) CRR)**

The information below relates to the financial year ending 31 December 2020. The MRT aggregates are shared below.

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<sup>1</sup> Refinitiv employees, consultants, agents, secondees and appointed representatives acting on behalf of FRTSIL

YEAR		Total
		Euros
2020	Fixed Compensation	1,836
	Variable Compensation	1,330
	Total Compensation	3,166
	Number of Staff	12

4.1 The amounts and forms of variable remuneration are shown below. Refinitiv is not a publicly quoted organisation and uses no shares or share-linked instruments as a result.

YEAR		Total
		Euros
2020	Cash	1,330
	Shares	0

4.2 As described above, FRTSIL considers it is disproportionate to apply deferrals to its variable remuneration, therefore there is no outstanding deferred remuneration, vested or unvested to report.

4.3 Based on FRTSIL's size, internal organisation and the nature, scope and relative lack of complexity of its activities, FRTSIL considers it is disproportionate to disclose details of sign-on and severance payments. However, these types of payments are exceptional.

5 Number of individuals remunerated EUR 1 million or more per financial year

5.1 FRTSIL has confirmed that no staff members have been remunerated Eur 1 million or more in the financial year.