

Financial & Risk Transaction Services Ireland Limited

2019 REMUNERATION DISCLOSURE

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”).

FRTSIL has adopted remuneration policies and procedures that comply with the relevant remuneration requirements and are in accordance with ESMA’s 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 complexity of FRTSIL’s activities, FRTSIL has allocated responsibility for decisions regarding remuneration to the Board of Directors. This body receives advice on remuneration, risk, tax, accounting and regulatory issues from the Risk Committee and the HR, Compliance, Finance and Legal functions. Additionally, FRTSIL has engaged Grant Thornton Ireland to advise on its remuneration policies and procedures. The Board of Directors, when making decisions on remuneration, is explicitly obliged to take into account the long-term interests of shareholders, investors, clients and other stakeholders in FRTSIL, the public interest and the risk management framework of FRTSIL.

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 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 interests), adherence to risk and compliance policies, as well as wider capital and liquidity requirements of FRTSIL and Refinitiv as a whole.

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. They are 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 remuneration, risk, tax, accounting and regulatory issues from the Risk Committee and the HR, Compliance, Finance and Legal functions.

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 Members¹ 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 different 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 bonus awards can be delivered in two main forms: a cash bonus and/or shares, depending on the particular scheme the Staff Member is a member of. Based on the application of proportionality, there is no deferral associated with either scheme. Shares are subject to a three year vesting period. 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.

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

- 3.1 FRTSIL has concluded it is disproportionate to apply the rules on setting a ratio of fixed to variable remuneration.

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

- 4.1 The information below relates to the financial years ending 31 December 2019 as indicated. The MRT aggregates are shared below but FRTSIL itself has no remuneration expenses given that it relies on services provided by other entities in Refinitiv.

¹ Refinitiv employees, consultants, agents, secondees and appointed representatives acting on behalf of FRTSIL

5 Aggregate quantitative information on remuneration (senior management and material risk takers)

- 5.1 The following information relates to the financial year ending 31 December 2019.
- 5.2 The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries are shown below:

YEAR		Senior Management	Other Code Staff	Total
		£'000	£'000	£'000
2019	Fixed Compensation	3,319	3,058	6,377
	Variable Compensation	5,166	2,183	7,348
	Total Compensation	8,484	5,241	13,725
	Number of Staff	10	20	30

- 5.3 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		Senior management	Other material risk takers	Total
		£'000	£'000	£'000
2019	Cash	5,166	2,183	7,348
	Shares	0	0	0

- 5.4 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.
- 5.5 Based on FRTSIL's size, internal organisation and the nature, scope and 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.

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

- 6.1 FRTSIL has omitted this disclosure on the basis that would be disproportionate as FRTSIL Staff Members are not able to take material risks that would positively impact the scale of their remuneration. Furthermore, disclosure may result in certain Staff Members' remuneration information being easily identifiable with no public benefit, and therefore place FRTSIL in breach of its data protection and privacy obligations. All necessary information will be made available to the CBI on request.