

Refinitiv Transaction Services Limited

2023 FCA MIFIDPRU REMUNERATION CODE DISCLOSURE

For 2023, the Financial Conduct Authority (FCA) MIFIDPRU Remuneration Code ('the Code') applies to RTSL which is a wholly owned subsidiary of Refinitiv Limited (RL), itself a wholly owned indirect subsidiary of London Stock Exchange Group plc, the parent entity of the London Stock Exchange Group of companies (the "Group" or "LSEG"). The core requirements in the Code apply to all small and non-interconnected (SNI) MIFIDPRU investment firms, with more detailed requirements also applying to non-SNI MIFIDPRU investment firms. RTSL is considered a non-SNI Investment Firm and is subject to the standard remuneration requirements of the Code.

This disclosure covers remuneration awarded in respect of the financial period from 1 January 2023 to 31 December 2023.

a) Remuneration policy decision-making process

The Group has a Remuneration Committee ('the Committee') which meets regularly to consider issues relating to the remuneration policy and structures for all employees of the Group, including those of RTSL. The Committee is appointed by the LSEG Board and comprises only independent Non-Executive Directors. No individual is included in decisions relating to their own remuneration.

The Committee's terms of reference, which are reviewed regularly by the LSEG Board are available on the Corporate Governance section of the Group's website.

Willis Towers Watson are the appointed advisors to the Committee. The Committee is satisfied that the advice provided by Willis Towers Watson was independent and objective.

The remuneration policy is adopted and monitored by the RTSL Board. The RTSL Board 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 RTSL.

The RTSL Board reviews and approves amendments to these policies and procedures as required by changes in legal and regulatory requirements, staffing and/or the business of RTSL. They are also responsible for ensuring the appropriate disclosures have been made in relation to the remuneration policy. To assist in carrying out its responsibilities the RTSL Board receives advice on remuneration, risk, tax, accounting and regulatory issues from the Risk, HR, Compliance, Finance and Legal functions.

The RTSL Board, when making decisions on remuneration, is explicitly obliged to take into account the long-term interests of shareholders, investors and other stakeholders in RTSL, the public interest and the risk management framework of RTSL.

b) Material Risk Takers (MRTs) as defined by the criteria of the Code

The following groups of employees and directors have been identified as meeting the criteria for Material Risk Takers:

- Members of the RTSL Board;
- Members of the senior management of RTSL;
- Heads of Control Functions (internal audit, risk and compliance);
- Individuals responsible for the prevention of money laundering and terrorist financing;

- Individuals responsible for managing a material risk within the firm; and
- Any other individuals within their control who have a material impact on the firm's risk profile.

For the financial period ended 31 December 2023, there were a total of 18 individuals identified as MRTs.

c) Approach to remuneration

Key principles

In determining its remuneration policies, RTSL monitors developments in the wider marketplace and continues to consult and work with key stakeholders (including, but not limited to RTSL's regulators and the Committee) on any key decisions taken.

The remuneration policy is gender neutral and does not discriminate on the basis of the protected characteristics of an individual. RTSL aims to reward all employees fairly, regardless of job function, race, religion, colour, national or ethnic origin, sex, sexual orientation, marital status, pregnancy, maternity, disability or age.

It is the policy of RTSL to operate competitive remuneration policies so as to attract, retain and motivate an appropriate workforce for its ongoing success. RTSL is also committed to ensuring that its remuneration practices are aligned to performance and promote sound and effective risk management and do not encourage excessive or inappropriate risk taking. In all cases, remuneration will be in line with corporate strategy, objectives, corporate competencies and long-term interests of RTSL and LSEG.

It is the policy of RTSL to comply with any and all regulatory frameworks (including as to tax) which apply to the remuneration of any of its employees.

The remuneration policy aims to encourage responsible business conduct and ensures that employees are not remunerated in a way that conflicts with their duty to act in the best interests of customers.

Policy specifics

The single aligned global reward framework creates a transparent, performance-driven approach for the Group. This is scaled according to seniority and defines the target and maximum variable remuneration opportunity for individuals at each global grade. No individual can exceed the maximum opportunity for their grade.

The reward framework is designed to reward individuals, including MRTs, for good financial and non-financial performance that support the corporate strategy and objectives and align remuneration with long-term sustainable performance:

- The Group bonus pool is based on performance measures weighted 60% against Adjusted Operating Profit (AOP) growth and 40% against key strategic objectives, as detailed in the Group's Annual Report. The management of risk is fundamental to the successful execution of the strategy of the Group and 'Resilience' is one of the key strategic objectives which form part of the Group bonus pool assessment.
- Individual performance is assessed against contribution to the strategic objectives, including risk objectives, and against role-related goals and expected LSEG behaviours, taking into account both what has been achieved and how the individuals achieved their targets.
- All awards are discretionary and will not reward excessive risk-taking; poor behaviour/risk management could result in a zero bonus.
- In-year adjustments, malus and/or clawback may be applied to awards where appropriate and where legally possible.

Remuneration arrangements may include a mix of fixed pay and variable pay. Fixed pay is comprised of base salary, pension and other country specific benefits. Variable pay is based on performance, or in exceptional circumstances, other conditions, and includes annual discretionary bonus awards, commission plans and share based incentives (payable in shares of LSEG plc), depending on role seniority as detailed below; as well as guarantees, retention

awards, buy-outs and severance pay. An individual's fixed and variable remuneration will be appropriately balanced. Non-Executive Directors receive no variable remuneration for their role supporting group entities.

Malus and clawback provisions apply to variable remuneration. This allows the Committee to reduce, cancel or impose further conditions, or to recover shares or payments that have been made in certain circumstances, including but not limited to:

- (i) where there is a material misstatement or restatement of the results of the Group in its audited accounts,
- (ii) the negligence, fraud or serious misconduct of the individual which results in significant reputational damage to the Group or which has a material adverse effect on the financial position of the Group or the business opportunities of the Group,
- (iii) if the individual is a member of a business unit in the Group which suffers significant reputational damage or material adverse effect on its financial position or on its business opportunities,
- (iv) where behaviour of the individual is considered to breach the standards of the Group's Code of Conduct, or where there is serious misconduct that has significant reputational consequences for the Group or a relevant business unit
- (v) where there is a material failure of risk management in the Company of any member of the Group or a relevant business unit,
- (vi) where an error in assessing any performance conditions is discovered, or
- (vii) any other circumstances that the Committee deems to be similar in nature or effect to those above.

Base Salary

The aggregate total remuneration figures below include base salary cost for relevant RTSL staff for the financial period ended December 2023.

Pension and benefits

The aggregate total remuneration figures below include pension and benefits cost for relevant RTSL staff for the financial period ended December 2023.

Annual Bonus

The Remuneration Committee sets the detail and mix of performance measures, targets and weighting for the Group at the start of each year. The Group bonus pool is determined based on performance measures weighted 60% financial targets and 40% strategic deliverables.

Individual bonuses are determined in accordance with the Group's Annual Incentive Plan (AIP). The AIP rewards individual performance in line with a number of factors including risk appetite and the performance and corporate strategy of the division and LSEG.

The AIP is designed to:

- Drive accountability, collaboration and results - including both activities and behaviours.
- Reward the excellent individual and collective performance our organisation needs to succeed.
- Deliver differentiated reward to recognise outstanding performance and contribution.
- Provide competitive total compensation.

To evaluate individual performance, a four-point rating scale is used, with strict distribution guidance. This provides a strong foundation to differentiate and reward for outperformance.

The Group's Group Leader population are subject to bonus deferral, 40% of their total annual bonus is deferred into LSEG plc shares, vesting in equal tranches over three years.

The aggregate total remuneration figures below include annual bonus cost for relevant RTSL staff for the financial period ended December 2023.

Global Commission Plan

The Global Commission Plan (the Commission Plan) is the principal form of incentive compensation that applies to all commissionable sales roles within the Sales and Account Management division (SAM). The Commission Plan has been designed to align the objectives that have been set for participants in the Commission Plan with the objectives of SAM and it aims to drive motivation and desired behaviours. All awards are based on revenues collected. Non-performance related matters are also taken into consideration before allocating any compensation in accordance with the Group's performance management process.

No employee is automatically entitled to participate in the Commission Plan. An employee who is a participant in the Commission Plan is not eligible to participate in the discretionary bonus scheme or any other Group annual and/or incentive compensation plan that is not specifically designated as applying to such participants. There is no deferred portion of the payout pursuant to the Commission Plan. There is no vesting period as such, but the Commission Plan pays out at the end of every quarter. The payout is made at the end of each quarter in full and in cash only.

The aggregate total remuneration figures below include any commission plan cost for relevant RTSL staff for the financial period ended December 2023.

Share-Based Incentives

Individuals at the Group Director level are eligible for awards under the Restricted Share Plan. This is a three-year plan where employees are typically granted 40% of their base salary as shares, vesting in equal tranches over three years.

Individuals at Group Leader level are eligible to participate in LSEG's Long Term Incentive Plan ("LTIP"). Vesting for the 2023 LTIP grant occurs over a three-year period subject to the following performance measures: 60% is assessed against Group Adjusted Earnings Per Share ("AEPS") performance and 40% against relative Group Total Shareholder Return ("TSR") performance.

The aggregate total remuneration figures below include share-based incentives value at grant for relevant RTSL staff for the financial period ended December 2023.

Guaranteed Variable Remuneration

Payment of any guaranteed variable remuneration award is not permitted unless:

- it is exceptional;
- occurs in the context of hiring new staff members;
- is limited to the first year of a new staff member's service; and
- RTSL has a strong capital base.

There were no guaranteed variable remuneration awards made to RTSL MRTs for the financial period ended December 2023.

Severance payments

Payments relating to the termination of an employment contract will be determined against contractual and statutory requirements, reflect performance achieved over time and will be designed in such a way that does not reward failure or misconduct.

RTSL relies on MIFIDPRU 8.6.8R(7) and has exempted the disclosure of severance payments to avoid disclosing individual remuneration.

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

The information below relates to the financial period ended December 2023 as indicated. RTSL relies on MIFIDPRU 8.6.8R(7) and has aggregated the information for senior management and other MRTs to avoid disclosing individual remuneration. The total aggregate remuneration of MRTs is shared below but RTSL itself has no remuneration expenses given that it relies on services provided by other entities in the Group.

YEAR		Total
		£'000
2023	Fixed Remuneration	3,164
	Variable Remuneration	3,520
	Total Remuneration	6,684
	Number of Staff	18