

TRADEWEB EXECUTION SERVICES B.V.
PILLAR 3 DISCLOSURE
For Year Ended 31 DECEMBER 2024

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Introduction

Tradeweb Execution Services B.V. ('the **Company**') is regulated by the Dutch Authority for the Financial Markets ('**AFM**') and the De Nederlandsche Bank ('**DNB**'). The Company is authorised to operate as a counterparty for intermediated transactions.

The Company is required to comply with the applicable disclosure requirements set out in Part Six of the Capital Requirements Regulation (EU) No 2019/2033 ('**IFR**'), commonly referred to as the 'Pillar 3 disclosure obligations'.

The Investment Firms Directive of the European Union establishes a regulatory capital framework across Europe governing the amount and nature of capital that must be maintained by credit institutions and investment companies. The framework consists of three "Pillars":

- Pillar 1 sets out the minimum own funds requirements;
- Pillar 2 requires the Company to assess whether its Pillar 1 capital is adequate to meet its risks; and
- Pillar 3 requires disclosure of specific information about the Company's risk exposure, capital, risk assessment and management procedures.

To encourage market discipline, the Company is required to disclose information about its capital position and material risks.

This Pillar 3 disclosure has been prepared based on the Company's audited accounts for 2024 and has been verified by the Company directors.

The Company does not meet the conditions from qualifying as a small and non-interconnected investment firm as set out in Articles 12 of the IFR. The Company is also not an institution of global systemic importance. The Company's immediate parent company is TWEL Holding LLC, which is a limited liability company in the United States.

Internal Capital Adequacy Assessment Process ('ICAAP')

The Internal Capital Adequacy Assessment Process ('**ICAAP**') forms a key part of the formal risk assessment and monitoring process and the firm's risk management processes are considered to be adequate given the nature and complexity of the business. The established framework and process help ensure consistent application of the risk assessment methodology and produce a common view of risk exposure for the firm.

Senior management takes risk management seriously and considers risks in its material business decisions. The head of each material business unit is responsible for identifying risks within their respective area(s) and escalating these where appropriate to the relevant business-level risk committee.

Governance arrangements

The principal role of the Board is to provide leadership of the Company within a framework of prudent and effective controls, and is responsible for overseeing the Company's business and for promoting the long term success of the Company as a whole. Matters reserved for the Board include: (1) strategy; (2) directing the

business; (3) financial reporting, controls and capital management; and (4) internal controls. The Board meets as and when required to discharge its functions.

The Board comprises executive directors. Directors are appointed from within the Company, having regard to their individual and combined knowledge, skills and experience to effectively direct and oversee the Company. The Company's policy on diversity takes into consideration differences in sex, race, age, nationality, social origins, religious beliefs, or membership of associations. Diversity is an element of the Company's selection process in determining the composition of the Board of Directors.

The Board consisted of the following members at 31 December 2024

		Number of directorships held
Alessandra Stagliano	Director	2
William Brayshaw	Director	2

The directors review risks, controls and other risk mitigation arrangements and consider the financial impact of the risks as part of business planning and capital management. The Company conducts stress tests to assess the impact of stress scenarios on its financial position / capital and the Company is confident that it holds sufficient capital levels and has appropriate risk management procedures in place. Management will continue to update and reassess the scenarios as market, business and product landscapes continue to change and evolve. Updates are reported to the Board.

Risk Management Framework

The Company has implemented a 'three lines of defence' model for risk management:

1. The first line of defence comprises the business managers, including product management and technology management, operational risk management (ORM) and information security teams. Each of these individuals is responsible for defining and implementing risk framework and methodology.
2. The second line of defence includes enterprise risk management (ERM) and regulatory compliance. The second line of defence together with the first line of defence is responsible for defining and implementing risk framework and methodology.
3. The third line of defence is the internal audit function. A third-party firm provides the Company's Internal Audit services, including reviews of the business operations and systems of internal control.

Material risks relating to the business

The Company's directors consider that material risks are as follows:

Cyber Risk

Unauthorized access by a malicious actor (internal or external) to Tradeweb's systems and information causing a cyber security incident impacting data confidentiality, integrity and/or availability;

Technology Risk

Potential for technology failure to disrupt business activity, including system obsolescence, inadequate change management, or failures in third-party providers;

Capital Risk

The firm's ability to meet regulatory capital requirements and internal investment return minimums, or to support current and future business activities, as per the approved business strategy and plans (note the risk is not assessed in detail given the ICAAP report's focus on capital adequacy);

Credit Risk

If a counterparty, (including members and all intermediaries where there is exposure through payment, clearing and settlement processes), is unable to fully meet its financial obligations when due, or at any time in the future;

Legal Risk

Failure to comply with laws, legislation, and contractual obligations;

Regulatory and Compliance Risks

Failure to comply with regulatory and compliance obligations;

Oversight and Governance Obligations Risks

Loss or reputational damage as a result of inadequate or unethical governance of the organization and the related processes.

Risk appetite statement

The Company's board of directors has agreed that its risk appetite should align with the enterprise risk appetite of Tradeweb Markets LLC ("Tradeweb"), which is defined by Tradeweb's Senior Management through the Risk Governance Committees.

Generally, Tradeweb has an overall conservative approach to risk appetite. The Company will act in accordance with this risk appetite statement to achieve strategic objectives and remain a pre-eminent trading application provider. To do so, Tradeweb must employ sound enterprise risk management principles, transparent decision-making, and effective communication to prioritise risk. Tradeweb has considered a number of factors to determine its appetite for risk. Including but limited to client satisfaction, financial, regulatory and reputational impact.

Where the Company has discretion, it is willing, to a reasonable extent, to assume more risk to remain nimble in meeting the challenges of an evolving financial market provider landscape. The best risk management practices will not prevent challenges but will enable Tradeweb to operate proactively.

Material risks are continuously monitored using a risk-based approach along with industry best practices.

Own funds requirements

The Company assesses whether or not it is appropriate to hold capital against risks either on the base case or stressed scenarios. The Company separately calculates the wind-down cost for the business under stressed scenarios. The minimum capital requirement is set by the higher of: (1) Base capital of €750,000; (2) the sum of its K-Factors; and (3) the fixed overhead requirement, which is calculated as 25% of relevant annual expenditure and essentially sets the Company's minimum level of capital requirement.

The disclosures that follow are based on audited financials for the year ended 31 December 2024. A reconciliation of the Company's audited financials to regulatory capital is shown below:

Own Funds Disclosure at 31 December 2024	€'000
Equity per balance sheet	
- Share capital	-
- Share premium	3,200
- Profit and loss account and other reserves	48
- Other reserves	-
Total equity	3,248
Additional Tier 1 and Tier 2 capital	-
Total regulatory own funds	3,248

Company's capital resources were increased after a €4m capital injection was completed in September 2025, the table below demonstrates that the Company meets the own funds requirements and held a capital surplus after the injection.

Excess capital resources at 31 December 2024	€'000
Total regulatory own funds	3,248
Injection	4,000
Regulatory own funds	7,248
Own funds requirements	3,424
Capital resources as a % of Own funds requirements	212%
Excess capital resources	3,824

The table below sets out the own funds requirements of the Company.

Own Funds Requirements at 31 December 2024	EUR '000
Permanent minimum capital requirement	750
Fixed overhead requirement	41
K-Factor requirement	50
Additional own funds requirements	2,674
Total own funds requirements	3,424

The table below discloses the K-Factor requirements as at 31 December 2024.

K-Factor Requirement Calculations	EUR '000
K-DTF	46
K-NPR	4
Total K-Factor requirement	50

The table below discloses the fixed overhead requirement requirements as at 31 December 2024.

Expenditure	€
Total expenses as at end of Dec 24	361,788
Less:	
Commission and fees payable	(184,995)
Non-recurring expenses from non-ordinary activities	
- FX	(909)
Expenditures from taxes	(11,317)
Total relevant annual expenditure	164,567
Fixed overhead requirement for 2024 (25%)	41,142

Remuneration Policy and Disclosure

The Remuneration Policy of the Company is designed to comply with the EBA's Guidelines on Sound Remuneration Policies, ensuring gender neutral remuneration practices. The policy applies to all employed staff and promotes the principal of equal pay for works in different genders for equal work or work of equal value.

The remuneration structure includes five components. Basic salary: Market-competitive, regularly reviewed; Annual bonus: Based on individual and company-wide performance, discretionary in nature; Equity incentive plan: Offered to senior staff to promote long-term interest in the firm's growth; Pension: All employees may participate in the company pension scheme; Benefits: Other traditional employee benefits.

The overall compensation structure is determined by the CEO with assistance from Human Resources and Finance departments. Compensation for senior staff is set independently from business performance to prevent conflict of interest.

The policy complies with the applicable rules from EBA, ensuring variable pay does not hinder the firm's ability to strengthen its capital base. The firm applies proportionality to certain aspects of the rule, as appropriate.

Bonuses are determined by a performance management process that evaluates individual and business-wide success. Compensation is adjusted based on non-financial factors, such as conduct and compliance with regulatory standards. The remuneration policy is reviewed annually to ensure continued compliance with the applicable rules from EBA and alignment with company objectives.

The Company does not have any employees during the year, Remuneration Policy is not applicable.

---End of PILLAR 3 Disclosure---