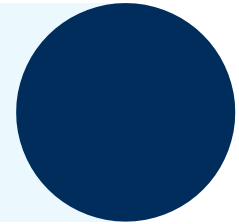


# Tradeweb Risk Management Fact Sheet



## Risk Management Overview and Governance

As a leader in building and operating electronic marketplaces for Tradeweb Markets Inc.'s (herein referred to as "Tradeweb" or the "Company" or "Firm") global network of clients across the financial ecosystem, risk management is embedded in the fabric of our organization. Tradeweb views risk management as an integrated business process essential to the Firm's long-term success. As such, the Firm is committed to taking a holistic, proactive, and efficient risk management approach that is aligned with business objectives.

Tradeweb recognizes the strategic value of effective risk management, such as enhancing C-suite visibility into enterprise risks, supporting informed decision-making, and fostering responsible risk taking. By integrating risk management strategies, tools, and processes into organizational goals, Tradeweb drives improved product performance, strengthens brand recognition, and delivers sustainable financial results.

Tradeweb Risk Management functions are responsible for identifying, assessing, mitigating, monitoring and reporting on risks across the Firm in alignment with industry standards and leading best practices. Risk oversight is further reinforced by a well-defined governance structure and active executive engagement. At the core of this structure is the Enterprise Risk Committee, chaired by the Chief Risk Officer and comprised of senior leaders from Business, Technology, and Corporate functions. This Committee governs and oversees the Firm's risk framework, reviews the enterprise risk profile, approves risk appetite, and evaluates and approves material policy changes.

Tradeweb adheres to the industry-standard 'three lines of defense' model, which clearly delineates roles and responsibilities for effective risk management:

- **First Line of Defense:** Business managers are accountable for the risks associated with their activities and are responsible for identifying, managing, mitigating, and reporting these risks in coordination with other functions. Supporting this structure, Tradeweb's Operational Risk Management ("ORM") function operates within the first line and provides subject matter expertise to assist business units in managing operational risks within their day-to-day activities.
- **Second Line of Defense:** Compliance, Enterprise Risk Management ("ERM"), and Information Security functions support the first line by advising on regulatory requirements and implementing risk management strategies aligned with the Firm's risk profile. These second-line functions provide independent oversight, monitor and report key risk insights to support informed decision-making.
- **Third Line of Defense:** Internal Audit ("IA") serves as the third line, offering independent risk-based assurance and advisory services. IA evaluates the adequacy and effectiveness of internal controls across business areas and services. IA reports to the Audit Committee of the Board.

## Strategy and Approach

Tradeweb recognizes its responsibility to identify, assess, and manage the risks inherent in its business operations. The Firm maintains a risk management program that is commensurate with the level of risk posed to its business and clients. The risk management program is rooted in enterprise-wide policies and aligned with industry standards, including frameworks established by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and the National Institute of Standards and Technology (“NIST”).

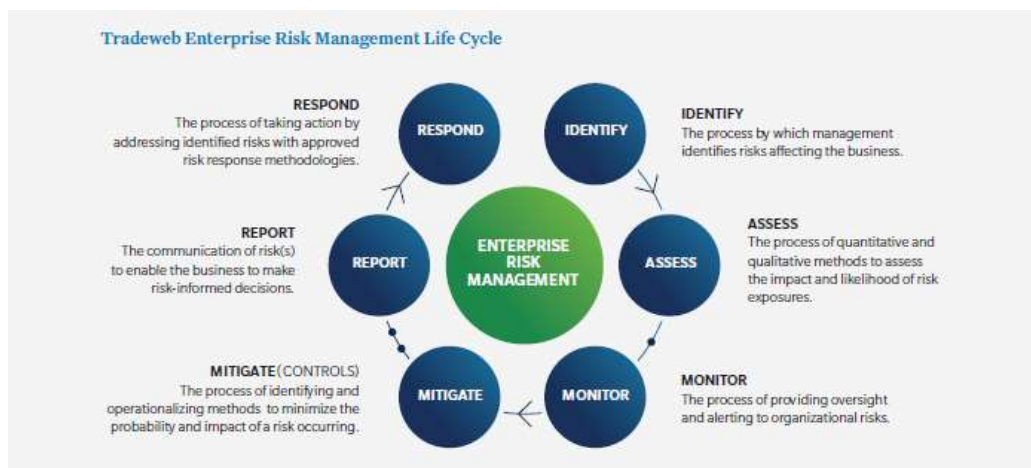
Guided by a prudent risk culture, Tradeweb aims to minimize risks as defined by the Firm’s risk taxonomy and to mitigate potential impacts on clients and broader financial markets. Risk is managed in a manner appropriate to each business line, enabling risk-informed decisions that support the Firm’s strategic objectives. ERM partners with the business to provide guidance and assurance through the ongoing assessment, monitoring, and reporting of risks. The objective of Tradeweb’s risk management approach is not to avoid risk taking, but to maintain transparency and control over the risks associated with delivering on business objectives.

Tradeweb adopts proactive approach to risk management, emphasizing early identification of risks before they materialize. This includes anticipating emerging business trends, implementing processes for continuous monitoring, managing risk-related activities, and testing key controls through both internal and independent assessments. To support this approach, Tradeweb maintains a centrally managed and globally consistent Risk Management Framework. This framework supports alignment in risk and control taxonomy across all business lines, promoting standardized risk identification, assessment, and measurement. It also enables the development of prioritized remediation plans and consistent metrics and reporting.

Tradeweb’s Risk Management Framework is structured around the following core process components:

- Risk Identification and Assessments
- Risk Measurement
- Risk Response and Remediation
- Risk Analysis and Reporting

**Figure 1: Tradeweb Enterprise Risk Management Life Cycle**



## **Risk Identification and Assessment**

### **Risk Assessments**

Tradeweb conducts global risk assessments through a risk-based approach, concentrating on areas with elevated inherent risk. These assessments are tailored to the Firm's risk profile and business model.

As part of the Firm's risk management lifecycle, Tradeweb identifies, assesses, measures, responds to, and reports on risks in a manner appropriate to its enterprise objectives. Risk assessments serve as a critical input in developing a comprehensive and targeted risk profile that encompasses both identified risks and associated controls. ERM is uniquely positioned to assess risk across all domains within the Firm's risk taxonomy and sets the standard for how risk assessments are conducted, reported, and tracked under the Firm's three-lines-of-defense model.

Tradeweb employs a standardized process overseen by ERM to identify and assess inherent risks against mitigation strategies (e.g., controls) in order to analyze and measure residual risk. The residual risk then informs the prioritization of control testing and support data driven analysis of key risk indicators, including risk events, issues, regulatory changes, market conditions, and broader geopolitical or environmental factors.

### **Risk Event Management**

Tradeweb has established a Risk Event Management process to oversee the full lifecycle of risk response activities when a risk materializes. This Risk Event Lifecycle Management process, governed by the ORM team, provides guidance and assurance for how the Firm responds to risk events, including prioritization and impact analysis, such as root cause analysis, control effectiveness evaluation, residual risk assessment, and the identification and tracking of remediation efforts. The process also defines documentation and reporting requirements to support alignment with applicable regulatory requirements. Risk event documentation supports enterprise-wide risk management by generating actionable insights and informing broader risk oversight activities across the Firm.

### **Risk Measurement**

#### **Control Assessment and Testing**

Tradeweb employs a structured controls assessment framework to document and evaluate control activities that reduce the criticality level of risks identified during the Risk Identification process. Control testing is conducted by Tradeweb's assurance functions, including ERM and IA, which independently assess both the design and operating effectiveness of controls. Tradeweb performs control testing following a standardized methodology and risk-based approach, with priority given to controls that are critical to safeguarding the Firm's assets and operations. In addition, Tradeweb conducts targeted control testing to address regulatory requirements and mitigate the impact of compliance risks across each business line. Regulatory monitoring and control testing are similarly performed using a risk-based approach to evaluate the Firm's ability to meet applicable regulatory obligations.

### **Risk Response and Remediation**

## **Risk Appetite and Tolerance**

Establishing risk appetite and tolerance levels is a fundamental component of a mature risk management lifecycle. Tradeweb manages risks in a manner appropriate to each business area, guided by ongoing direction from senior management. In line with industry standards and best practices, Tradeweb has established Enterprise Risk Appetite statements to define the level and type of risk the Firm is willing to accept in pursuit of its strategic objectives. To support this, Tradeweb has defined procedures to guide the business on setting upper and lower tolerance limits using a combination of historical data and subject matter expertise to support alignment with both business-specific and enterprise-wide needs. The tolerance limits provide a measurable indicator, such as triggers or alerts, that notify management when risk exposure is approaching levels that may exceed the defined tolerance and potentially breach the Firm's risk appetite.

Each business is accountable for monitoring, reporting, and escalating instances where their risk appetite and tolerance limits may be exceeded. At a minimum, management and ERM maintain visibility into the overall health of the business in relation to its risk appetite and tolerance. ERM also facilitates escalation to the appropriate risk committees as necessary and is responsible for monitoring, reporting, and escalating enterprise-level risk appetite metrics to the relevant risk committees.

## **Issue Management**

Tradeweb's ERM team supports business lines by providing a standardized framework and guidance on identifying, mitigating, reporting, and monitoring risk-related issues. Business and Product Managers are accountable for maintaining awareness of issues assigned to their respective processes and are expected to manage them in a manner so that risk exposure remains within the Firm's defined risk appetite.

Issues with the potential to impact Tradeweb's risk appetite are escalated and addressed through the Firm's established governance forums, providing visibility and oversight at the appropriate management and committee levels.

## **Risk Analysis and Reporting**

### **Risk Data Analytics and Reporting**

Tradeweb employs a consistent and methodical approach to risk data analytics to improve visibility into risks across business areas, facilitate informed decision-making, and identify opportunities to strengthen the Firm's control environment.

Comprehensive risk reporting is presented to senior leadership, governance committees, and other key stakeholders. These reports provide insights to key risk exposures and emerging trends to help the Firm assess the effectiveness of control enhancements. This process enables Tradeweb to evaluate where changes to process controls have most effectively reduced both the likelihood and impact of risk events.

## Policy Management Program

### Policy Framework

Tradeweb has a dedicated Policy Management Program in place led by the Policy Office that sits within the ORM function. This Program establishes a standardized process for the development, approval, implementation, review, management and storage of policies, standards, and procedures (collectively referred to as “Policy Documents”) across the Firm.

The primary objective of Policy Management at Tradeweb is to reduce risk and protect stakeholders by:

- Sharing relevant information to the appropriate employees at the right time;
- Centralizing Policy Documents in a single repository;
- Facilitating stakeholder engagement in the creation, review and maintenance of Policy Documents;
- Keeping Policy Documents current, relevant, and compliant with applicable laws and regulations; and
- Maintaining a clear audit trail for all organizational Policy Documents.

### Risk Management Policy Documents

A key component of the Policy Management Program is the formal review and maintenance process. Risk Management Policy Documents are subject to review and approval at least annually by designated Policy Owners and Approvers. Tradeweb’s Risk Management Policy is reviewed and approved annually by the Global Head of Risk and the appropriate Risk Committee to maintain alignment with the Firm’s risk governance framework and regulatory expectations.

### Independent Reviews and Internal Audit

Tradeweb maintains a strong internal control environment, supported by formal documented policies and procedures that are reviewed and updated on a regular basis. The Firm continuously monitors changes in laws, regulations, rules, and supervisory guidance across all jurisdictions in which it operates to maintain alignment between its global Risk Management Program and industry standards and leading practices.

Internal Audit performs ongoing independent assessments of Tradeweb’s risk management, governance, and internal control processes to evaluate their design and operating effectiveness. This function provides independent assurance to senior management and the Board that controls are functioning as intended.

Tradeweb undergoes annual SOC1 and SOC2 audit reviews conducted by an independent third-party firm. The Firm is also subject to compliance requirements set by regulatory authorities in the jurisdictions in which it operates.