



Finance Remuneration and Nominations (FRN) Committee – Charter

17 June 2026

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Version	Date	Author	Summary of Changes
1.0	May 2026	ETS Connect UK	Initial version
1.1	9/6/2026	HoC	HoC review and update

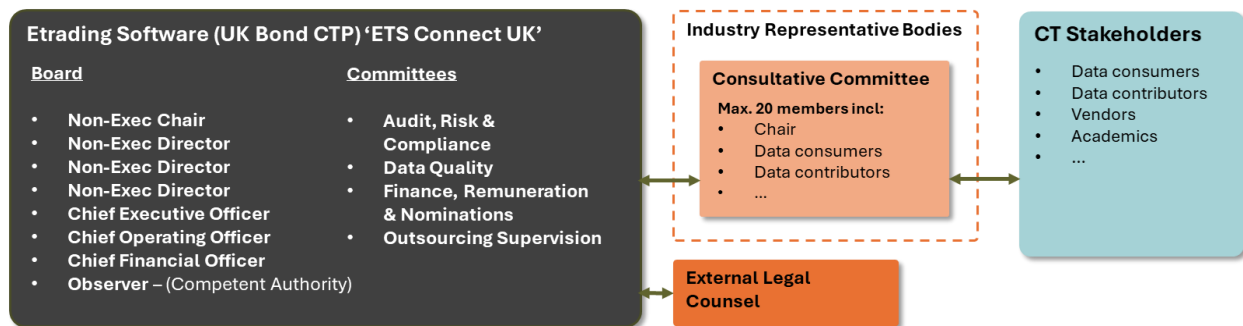
1. Introduction

1.1. The Consolidated Tape

Etrading Software (UK Bond CTP) Ltd (“**ETS Connect UK**”) is the Bond Consolidated Tape Provider (“CTP”) for the United Kingdom (“UK”). Trading venues and Approved Publication Arrangements (“APAs”) contribute market data about financial instruments to the Consolidated Tape (“CT”) which is responsible for consolidating such data per financial instrument into a continuous electronic live stream made available to the public.

The CTP has a unitary board structure (the “**Board**”), comprising four independent, non-executive directors (“**NEDs**”) including its Chair, and three management body members. The CTP shall also welcome observers to its Board, for example from competent authorities and shareholders.

The CTP’s organisational structure is as follows:



The CTP's corporate governance structure comprises:

- the Board
- the Consultative Committee
- the Board's standing committees (the "**Committees**"):
 - The Audit, Risk and Compliance Committee (the "**ARC Committee**");
 - The Data Quality Committee (the "**DQ Committee**");
 - The Finance, Remuneration and Nominations Committee (the "**FRN Committee**"); and
 - The Outsourcing Supervision Committee (the "**OS Committee**").

The Committees and the Consultative Committee operate under charter, and are governed by policy, as stated in the ETS Connect UK Corporate Governance Policy.

1.2. Authority of the FRN Committee

The FRN Committee is a standing committee, established by the authority of the Board of ETS Connect UK. The decisions reserved for the FRN Committee, and those matters it recommends to the Board for approval, are set out in the Delegated Authority Matrix contained in the ETS Connect UK Corporate Governance Policy.

1.3. Membership of Board's Committees

The Board operates four Committees with membership of each being drawn from the independent Directors and the executive body of the CTP. Membership of the Committees is determined by the Board.

The procedures for members joining or leaving the FRN Committee are described in s4.2.

1.4. FRN Committee Objectives

The core remit of the FRN Committee is to provide supervision of the CTP's finance, remuneration and nominations functions, in accordance with the ETS Connect UK Corporate Governance Policy (the “**Corporate Governance Policy**”).

2. Oversight Responsibilities

The scope of the FRN Committee's oversight responsibilities is set out in the subsections below and cover the following areas:

- finance, fees and licensing;
- remuneration; and
- nominations.

2.1. Finance, Fees and Licensing Responsibilities

The CTP outsources certain finance activities to the MSP.

The supervision of the CTP's outsourcing arrangements, including finance activities outsourced to the MSP, is a responsibility of the OS Committee, as set forth in the OS Committee Charter. If the CTP's CFO has any concerns about the performance of finance activities which have been outsourced to the MSP, they shall escalate the concerns directly to the OS Committee for their review and action.

The FRN Committee shall review and recommend to the Board for approval the Market Data Policy and any proposed change to licence categories, pricing, product structure, customer terms, EULAs, redistribution arrangements or related operational controls affecting bond CT data, consistent with section 10 of the Delegated Authority Matrix. The FRN Committee is Accountable for the public disclosure of fee changes with at least 90 days' advance notice. In exercising these responsibilities the FRN Committee shall:

- (a) ensure that the licensing and pricing framework is applied on a non-discriminatory basis within each customer category, consistent with Schedule 7 of the Concession Agreement;
- (b) ensure that market data is not bundled with, conditional upon, or commercially linked to any other product or service;
- (c) approve the public disclosure of prices and terms and any change to those prices and terms with at least 90 days' advance notice;

(d) before approving any change within the scope of this sub-section, satisfy itself that the Consultative Committee has been consulted, the Committee's recommendations or reasons for non-adoption are documented, and the ARC Committee has assessed any conflicts arising from the change and confirmed their recording in the Conflicts Register;

(e) receive an annual report from the ARC Committee confirming that any value-added services provided by group entities have purchased CT data on the same commercial terms as third-party customers, and;

(f) receive monthly capacity-headroom reporting from the OS Committee in respect of scalable access capacity required under the Market Data Policy.

The FRN Committee shall be responsible for the CTP's financial functions, including finance activities outsourced to the MSP, or any other TPP.

The FRN Committee shall be responsible for the regular financial reporting sent to the Board (the **"Finance Report"**), the preparation of the annual Budget and projections to the end of the contract period for operating the CTP (the **"Annual Budget"**) and the annual Statutory Accounts of Etrading Software (UK Bond CTP) Limited (**"Statutory Accounts"**).

The FRN Committee shall receive regular finance reporting from the MSP's Finance group. The requirements for the contents of the MSP's reporting to the CTP are set forth in the ETS Connect UK Financial Reporting Policy.

The FRN Committee shall be responsible for any financial reporting required from the CTP to the FCA and CTP stakeholders, and to the extent that the preparation of such financial reports is outsourced to the MSP, then the FRN will remain responsible for the processes and will supervise them.

The FRN Committee shall be responsible for all financial reporting obligations of the CTP as a company incorporated in the United Kingdom.

2.1.1. Financial Resources Adequacy

The FRN Committee shall, on at least a semi-annual basis, review whether the CTP maintains sufficient financial resources at all times to perform its CTP obligations in accordance with MAR 9.2C.1R. The review shall cover (a) the composition of capital, liquid assets and other resources; (b) the assessment of connected-party financial benefits, liabilities and risks; and (c) the orderly closure and asset/data transfer plan. Findings shall be reported to the Board and to the ARC Committee for compliance assurance.

The annual financial resources adequacy assessment for Board approval, as allocated to the FRN Committee under section 10 of the Delegated Authority Matrix; shall be prepared from the most recent semi-annual review.

2.2. Remuneration Responsibilities

The FRN Committee is responsible for overseeing the CTP's remuneration processes, the requirements for which are set forth in the ETS Connect UK Remuneration Policy.

Certain remuneration activities may be outsourced by the CTP to the MSP, or other TPP, but the CTP, through the FRN Committee shall retain responsibility for those activities.

In exercising its remuneration responsibilities, the FRN Committee shall distinguish between:

- (i) management body remuneration, which the FRN Committee shall recommend to the Board for approval, with management body members recused in accordance with s.4.3.2.1 of this Charter and s.4.4.9 of the Corporate Governance Policy; and
- (ii) the staff remuneration framework, which the FRN Committee may approve within delegated authority under section 4 of the Delegated Authority Matrix, with the Board informed.

2.3. Nominations Responsibilities

The FRN Committee is responsible for CTP's nomination processes, for the Board, management body, Committees and the Consultative Committee. Nominations also include deselections from those same governance bodies.

The processes for nominating (and deselecting) members ("**Nominees**") to the CTP's governance bodies is set forth in the Corporate Governance Policy, and the FRN Committee is responsible for the CTP's effective implementation of those processes.

The FRN Committee shall ensure that, on any change to the management body or any appointment/removal of a senior manager, the FCA is notified in accordance with MAR 9.3.2R, using the form prescribed in MAR 9 Annex 6R, including the provision of information necessary to assess fitness and propriety. The FRN Committee shall liaise with the Head of Compliance to ensure the notification is submitted appropriately. The nominations process itself is set out in sections 4.4 of the Corporate Governance Policy.

2.4. Payment Authorisation

The FRN Committee is responsible for the CTP's Payment Authorisation processes, which are governed by the ETS Connect UK Payment Authorisation Policy.

The FRN Committee shall ensure that the Payment Authorisation Policy implements segregation of duties and four-eyes approval. The FRN Committee shall receive an annual report from the CFO on payment authorisation exceptions and any segregation-of-duties breaches.

3. Committee Responsibilities

3.1. Reporting Responsibilities

The FRN Committee is responsible for the CTP's financial reporting processes.

Financial reporting is governed by the ETS Connect UK Financial Reporting Policy. The policy sets out the scope, expectations and timing for budgeting, management accounts, statutory accounts and reporting obligations.

The Budget is prepared on behalf of the board by the MSP's Finance group under the oversight of the CFO.

Management accounts are prepared on behalf of the Board and are approved at Board meetings. The management accounts provide the information that the Board require to monitor the CTP against budget and ensure that the MSP operates within its agreed capped budget.

The FRN Committee shall submit a regular Finance Report to the Board, which summarises the CTP's finance, remuneration and nomination activities during the reporting period in accordance with the requirements set forth in the Corporate Governance Policy.

The Finance Report will include:

- CTP financial reports including monthly and annual budgets, projections and outturns;
- summary of remuneration activity; and
- summary of nominations activity.

3.2. Annual Policy Reviews

The FRN Committee will undertake an annual review of the following policies:

- ETS Connect UK Market Data Policy
- ETS Connect UK Payment Authorisation Policy
- ETS Connect UK Remuneration Policy

As part of its annual review cycle, the FRN Committee shall provide a written input to the ARC Committee's annual conflicts-of-interest assessment, covering remuneration-related conflicts and any conflicts in licensing, pricing or access arrangements arising from the group structure; and confirm to the ARC Committee that no remuneration arrangement has been entered into that links variable pay solely to revenue, transaction value or sales volume. The FRN Committee shall not approve any change to licence categories, pricing, product structure, customer terms, EULAs or redistribution arrangements unless the ARC Committee has first confirmed that any associated conflicts have been recorded in the Conflicts Register and assessed.

3.3. Maintenance of Document Interfaces

The FRN Committee will oversee and maintain supporting documentation, as required from time to time, to enable it to carry out its responsibilities effectively. Where such documentation exists, it will be listed below.

4. FRN Committee Procedures

4.1. Introduction

This section of the FRN Committee Charter sets out the procedures governing the composition, appointment, operation and administration of the FRN Committee. It covers the appointment and removal of members, the role of Members, Observing Members, Advisors, the Chair and the Designated Consolidated-tape Officer (“DCO”), the conduct of meetings, quorum, decision-making, recordkeeping, reporting to the Board, the use of Subcommittees and the process for changes to this Charter.

The FRN Committee is a standing committee of the Board and shall report to the Board. The FRN Committee shall submit its reports, recommendations and decisions to the Board following each meeting.

4.2. Membership and Composition

4.2.1. Composition of the FRN Committee

The FRN Committee shall consist of the Chair, one Member, one Observing Member, one DCO and Advisors, where applicable. Members, Observing Members and Advisors shall be appointed at the discretion of the Board to provide broad and proportionate representation of CT stakeholders.

MSP personnel are not considered to be Members of the FRN Committee. However, at the invitation of the Chair, MSP personnel may attend and contribute to FRN Committee meetings and may assist with recordkeeping and meeting management.

The DCO is provided by the MSP. The MSP shall provide a substitute DCO if the main DCO is not available.

4.2.2. Appointment and Removal

Members of the FRN Committee shall be appointed and removed by the Board.

The Chair, Observing Members and Advisors shall be appointed to the FRN Committee by the Board through formal agreement. Formal agreement will ordinarily take place at a Board meeting. Where an urgent membership review is required, the Board may make a decision by email approval.

The Board may dissolve the FRN Committee and any Subcommittees established by the FRN Committee. The Board may also remove Members, Observing Members and Advisors of the FRN Committee or any such Subcommittee.

4.2.3. Members

Members shall attend meetings, contribute to discussions and participate in decision-making.

In a small-committee setting, decisions shall be taken on a consensus-first basis. Where consensus cannot be reached among attending Members, the matter shall be escalated to the Board.

Members who are not able to attend an FRN Committee meeting are expected to send their apologies to the Chair with at least one day's notice.

If an FRN Committee Member expects to be unavailable for a significant period, for example due to parental leave, long-term sickness or relocation of role, the Board may appoint a substitute member for a fixed term to maintain the balance of the Committee. The substitute member shall have equivalent experience and subject matter expertise, shall be nominated by the Board and, if appointed, shall serve in the same capacity as the original Member.

4.2.4. Observing Members

Observing Members shall attend meetings and may contribute where requested by the Chair, but shall not participate in decision-making.

The FCA, as the CTP's supervisory authority, is welcome to join any FRN Committee meeting as an observing member.

Each Observing Member shall be appointed and removed by the Board.

4.2.6. Participants Responsibilities and Conduct

All participants and contributors to the FRN Committee are expected to adhere to the provisions of the Competition Law Protocol, as set out in Appendix 1. The Competition Law Protocol will be provided to participants on application to join the FRN Committee.

Members, Observing Members, Advisors, MSP personnel and any other participants shall act in accordance with this Charter and shall support the effective operation of the FRN Committee.

4.3. Meeting Procedures and Organisation

4.3.1. Meeting Frequency and Convening of Meetings

FRN Committee meetings shall be held quarterly indefinitely, unless the FRN Committee is dissolved by the Board.

An ad hoc meeting of the FRN Committee may be convened at any time upon request by any Member, provided that every Member is notified in writing of the meeting and the contents of the agenda at least 24 hours before the meeting is convened.

Members, Observing Members and Advisors may attend meetings virtually or in person. A suitable meeting time shall be agreed to enable all participants to attend where practicable.

4.3.2. Meeting Materials and Agenda

Documents for review, consideration, comment and/or decision shall be distributed to Members before each meeting, with the intention that such documents are sent at least five business days before the meeting.

Meetings shall be held for discussion or clarification of specific matters within the documents, to record agreements and to capture alternative points of view.

The DCO shall prepare and provide the agenda to all Members. The agenda shall list the items to be covered and include links to additional meeting materials to assist Members in preparing for the meeting.

The agenda and additional meeting materials for each FRN Committee meeting shall be distributed to all Members at least five business days before the scheduled start of the meeting.

4.3.2.1. Conflicts of interest

Where the FRN Committee considers the remuneration, appointment, performance assessment or removal of a management body member, that member (and any other Member with a direct personal interest) shall declare the interest, shall not participate in deliberations or any decision or recommendation on the matter, and shall absent themselves from the meeting for that item. The recusal shall be recorded in the meeting summary. Recommendations on management body remuneration shall be approved by the Board with management body members recused, in line with Corporate Governance Policy s.4.4.9.

4.3.3 Chair Responsibilities

During FRN Committee meetings, the Chair shall be responsible for ensuring that the meeting functions effectively and in accordance with this Charter. This includes:

- ensuring that an appropriate agenda and other relevant documents are in place;
- establishing that quorum has been achieved and that appropriate Members are present;
- ensuring that decisions are taken on a sound and well-informed basis;
- encouraging and promoting open and critical discussion;
- promoting consensus;
- ensuring that the meeting follows the agenda;

- coordinating any decision-making process that is required;
- prioritising and managing Any Other Business;
- reviewing the performance of the FRN Committee; and
- proposing any changes required to improve the operation of the FRN Committee.

If the appointed Chair expects to be unavailable for a significant period, for example due to parental leave, long-term sickness or relocation of role, the Board may appoint another Member as interim Chair. The interim Chair shall serve in the same capacity as the appointed Chair.

4.3.4. DCO Responsibilities

During FRN Committee meetings, the DCO shall be responsible for ensuring that the meeting is set up to function effectively and in accordance with this Charter. This includes:

- preparing and providing the agenda to all Members;
- ensuring that the agenda and additional meeting materials are distributed to all Members at least five business days before the scheduled start of the meeting;
- recording the meeting and producing the meeting summary;
- producing the quarterly FRN report to be sent to the Board;
- recording FRN Committee meeting attendance, including absence without apology, late attendance and lack of participation;
- ensuring that attendance records are reflected in the meeting summary and quarterly FRN report to the Board; and

supporting the Chair in ensuring that the meeting follows the agenda, covers the items required under this Charter and agrees the contents of the report to the Board.

4.3.5. Attendance, Participation and Quorum

Members who are unable to attend an FRN Committee meeting are expected to send their apologies to the Chair with at least one day's notice.

Two appointed FRN Committee participants required for quorum must be in attendance within 15 minutes after the scheduled start of the meeting in order to constitute a quorum for the transaction of business. The Chair and any appointed substitute Members shall be included in the calculation of quorum.

If quorum is not achieved, the meeting shall be cancelled. Confirmation of the cancellation shall be recorded by the DCO and included in the regular reporting to the Board.

The DCO shall record attendance at each FRN Committee meeting, including absence without apology, late attendance and lack of participation. This attendance log shall be maintained regardless of whether quorum is achieved and shall be included in the quarterly FRN Report sent to the Board.

4.3.6. Decision Making

The FRN Committee shall aim to reach consensus among its Members.

Where the Committee consists of only two or three Members and consensus cannot be reached, the differing views of the Members shall be documented and submitted to the Board for consideration. The submission shall include:

- a short summary of the issue under discussion;
- areas of agreement;
- each Member's position; and
- any implications, risks or options that the Board should take into account.

If an FRN Committee meeting is cancelled, the Chair may request a decision on key agenda items by email.

The email shall be sent to all Members of the FRN Committee and shall contain:

- a clear statement of the agenda item for consideration;
- all relevant supporting material; and
- an expected response deadline.

Responses received by the response deadline shall be used to determine the course of action. All Members of the FRN Committee shall be notified of the final decision by email.

Repeated non-responsiveness to email communications shall be considered a lack of participation.

4.3.7. Meeting Summaries

The FRN Committee shall maintain summaries of its meetings, including actions, observations, recommendations and key decisions.

Key decisions, actions, observations and recommendations made by the FRN Committee shall be recorded in the meeting summaries. The meeting summary will be sent to Members within 5 business days after the meeting takes place.

Any advice, report, data, recommendation or decision shall be for the use of the Board.

Meeting summaries shall be distributed to and approved by Members before being made available to Observing Members, MSP personnel, CTP personnel or Advisors, where necessary.

Meeting summaries shall capture dissenting or minority views on decisions for transparency.

4.3.8. Recordkeeping and Reporting to the Board

FRN Committee conclusions, recommendations and decisions will be provided in writing by email to the designated email addresses of all members for review and agreement following FRN Committee meetings, Subcommittee meetings or any working groups that are established.

Members shall have two weeks to agree or dispute the documentation circulated. After that two-week period, the documentation shall be deemed to represent the views of the FRN Committee, including both agreed positions and any alternative views recorded.

Any rejection of the report shall result in a correction and re-issue of the reporting. For issues that cannot be resolved by email, another FRN Committee meeting shall be scheduled.

Once the reporting is approved by all Committee Members, the report shall be sent to the Board.

The FRN Committee, supported by the MSP where requested by the Chair, shall maintain accurate records of matters addressed as part of FRN Committee activities.

4.4. Subcommittees

The FRN Committee may establish Subcommittees where additional time outside regular meetings is required to formulate recommendations or decisions, or where expertise outside that of the Members of the FRN Committee is required.

The FRN Committee may dissolve any Subcommittee that it has established.

The terms of reference and composition of a Subcommittee, and the procedures governing its operation, shall be agreed by the FRN Committee.

Subcommittees may include individuals who are members of the FRN Committee and/or other individuals with relevant expertise. Members of Subcommittees shall be appointed and removed by the FRN Committee to address the specific nature of the issue in question.

Each Subcommittee shall have a documented terms of reference, including its mandate, scope, purpose, duration and membership. The FRN Committee will be responsible for defining the terms of reference of any Subcommittee.

Any Subcommittee shall report to the FRN Committee and shall not provide reports and/or recommendations directly to the Board or to any CTP or MSP officer or employee, without prior written approval from the Chair of the FRN Committee.

Subcommittees may, by consensus, adopt reports and/or recommendations of the Subcommittee, transmit reports to the FRN Committee, and make recommendations to the FRN Committee.

Reports and/or recommendations shall be developed in consultation with all members of the Subcommittee and any transmission to the FRN Committee shall include dissenting or minority views.

Subcommittees shall not have authority to make decisions on behalf of the FRN Committee.

The output of the Subcommittees shall be presented to the FRN Committee, including a final report on its findings and recommendations before the Subcommittee is dissolved.

4.5 Changes to the Charter

Any changes to this Charter must be approved by the FRN Committee.

5. APPENDIX 1: Competition Law Protocol

The purpose of this protocol is to remind attendees of FRN Committee and Subcommittee meetings, including the Board, that all discussions at such meetings are subject to the application of UK and other applicable national competition law (“**Competition Law**”).

Individual attendees are responsible for observing the requirements of Competition Law and should make themselves familiar with their legal obligations and their own organisation’s policies.

The CTP is committed to compliance with Competition Law, so to ensure that all meetings remain in compliance with Competition Law, we advise that all attendees follow the guidance set out below:

- a meeting agenda will be circulated in advance of a meeting. Any objections to, or potential concerns about, the proposed agenda in relation to Competition Law compliance should be raised prior to the meeting, if practicable;
- attendees must stick to the prepared agenda during the meeting and avoid discussion about other topics;
- attendees must not seek, discuss, communicate or exchange any commercially or other business sensitive information about their organisation or relating to competitors (whether before, during or after meetings). This includes, for example, any non-public information relating to prices, costs, revenues, business plans/marketing activities, individual terms and conditions, risk appetite or any other information which is likely to reduce strategic uncertainty in the market (i.e. which might result in less intensive competition than would normally occur);
- attendees must not reach any sort of agreement or understanding that is unlawful due to Competition Law, for example, unlawful horizontal agreement, or unlawful vertical agreement;
- if the Chair considers that a discussion at the meeting may be inappropriate from a Competition Law perspective, they shall raise an objection and promptly bring that part of the discussion to an end. If another attendee is concerned about a discussion from a Competition Law perspective, they shall bring it to the attention of the Chair, who will promptly bring that part of the discussion to an end. If other attendees attempt to continue that discussion, the Chair shall bring the meeting to an end. Every attendee is allowed to immediately leave the meeting in such situations. All these situations must be properly recorded in the minutes;
- the minutes of the meeting must subsequently be read and approved by the attendees. If any matter discussed is not recorded in the minutes, or is recorded

incorrectly, any attendee may raise an objection in writing and request an amendment; and

- similar principles should be observed for any group email exchanges or other online group discussions operated by the FRN Committee or CTP.

We remind FRN Committee attendees that breaching Competition Law has the potential for serious consequences for them as individuals and their organisations. Such consequences may include significant fines, liability to pay compensation to affected individuals and businesses and, in certain cases, the imposition of criminal penalties, director disqualification orders and disciplinary action.