



TOKAI TOKYO SECURITIES EUROPE LIMITED

4th Floor, Salisbury House, London Wall, London EC2M5QQ

Tel: +44 (0) 20 7070 4600

Fax: +44 (0) 20 7070 4649

REMUNERATION DISCLOSURES

AS AT 31 December 2023

- 1.1 This is a MIFIDPRU 8 remuneration disclosure document of Tokai Tokyo Securities (Europe) Limited (the “**Company**” or “**TTSE**”). TTSE is classified as a SNI firm.
- 1.2 The board of directors determine remuneration policy to reflect the Company’s objectives for good corporate governance as well as sustained and long-term value creation for shareholders. TTSE’s remuneration policies for Local Staff and Seconded Staff are consistent with its aim in achieving the growth and long term success of the business with a focus on a range of skills and behaviours that it deems important. The Remuneration Policy encourages staff to improve how they undertake work rather than with a focus on how much revenue or profit they can make.
- 1.3 Most of the criteria which determines any variable remuneration are non-financial. They form a significant part of the performance assessment process, including overriding financial criteria.
- 1.4 Conduct criteria make up a substantial portion of the non-financial criteria; including adherence to effective risk management and compliance with relevant regulatory requirements.
- 1.5 Due to the size and categorisation of TTSE, there is no remuneration committee. The Board undertakes this responsibility with an annual review of the Remuneration Policy Statement and responsibility for the implementation of any remuneration policies in the UK, and input into any remuneration changes that would affect Seconded Staff.
- 1.6 The Board approves the bonus pool size according to the current base salaries of the Local Staff and also on the offers to be made for the new base salaries. The nature of the variable remuneration for Local Staff is paid out of revenues from the relevant performance year. To this extent there is no risk of payments being made to staff based on future revenue which may have a damaging effect on the interests of the firm and the shareholder.
- 1.7 The long-term interests of the shareholders and stakeholders are for the firm to run a low risk business tightly governed by the Board and the shareholders; the business model of the firm ensures there is a low risk culture. Staff are remunerated in accordance with ongoing robust and professional management controls – which in turn mitigates/reduces any risks. The Board has the discretion to adjust the bonus pool and individual payments to Staff.
- 1.8 The policy is focused on ensuring sound and effective risk management through:
 - (a) a stringent governance structure for setting goals and communication these goals to employees;
 - (b) alignment with the Group’s business strategy, values, key priorities and long-term goals;
 - (c) alignment with the principle of protection of clients and ensuring prevention of conflicts of interests.
- 1.9 The Company used Clearpoint Advisors Limited in the development of the remuneration policies and practices.



TOKAI TOKYO SECURITIES EUROPE LIMITED

4th Floor, Salisbury House, London Wall, London EC2M5QQ

Tel: +44 (0) 20 7070 4600

Fax: +44 (0) 20 7070 4649

2 Code Staff

- 2.1 The Remuneration Code applies to all TTSE staff. In particular, Remuneration Code Staff are those staff with performance linked variable pay and comprise staff that hold significant influence functions, are senior management, risk takers, staff who undertake controlled functions and employees receiving remuneration on a par with senior management.

3 Performance appraisals

- 3.1 The Local Staff performance appraisal year runs from 1 January to 31 December in each year and the Seconded Staff performance appraisal year runs from 1 April to 31 March annually.
- 3.2 At the annual performance and appraisal interview, the individual employees and managers evaluate and document performance in the past year and set new goals. Decision on adjustment, if any, of the employee's fixed salary or on annual performance-based pay are made on the basis of this appraisal.
- 3.3 Assessment criteria include:
- (a) Job knowledge
 - (b) Quality of work
 - (c) Quantity of work
 - (d) Dependability
 - (e) Communication skills
 - (f) Compliance with regulations
 - (g) Profitability of TTSE and the parent entity Tokai Tokyo Financial Holdings Inc. (TTFH).
- 3.4 *Fixed remuneration* primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description, local market conditions and terms of employment. The fixed remuneration is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.
- 3.5 Variable remuneration primarily reflects a staff member's long-term performance as well as performance that exceeds the staff member's job description and terms of employment. This *performance-based remuneration* motivates and rewards staff who significantly contribute to sustainable results, deliver high quality work in an effective and efficient manner, strengthen long-term client relations, and generate or support the generation of income to TTSE the overall TTFH Group. Performance based remuneration is disbursed as cash bonus.
- 3.6 Performance-based pay is granted to reflect the Company's financial and non-financial results and the individual employee's performance. A discretionary assessment is always made to ensure that other factors – including factors which are not directly measurable – are considered. As an overall starting point the Company ensures a balanced split between fixed salary and variable pay.
- 3.7 TTSE ensures the assessment of performance is linked to its risk management and sustainable performance. This is set in a multi-year framework.



4 Quantitative Disclosures

DETAILS FOR PERFORMANCE YEAR 2023

| | |
|-------------------------------|---------------|
| TOTAL REMUNERATION ALL STAFF: | £2,101,097.68 |
| FIXED REMUNERATION: | £2,043,220.81 |
| VARIABLE REMUNERATION: | £57,876.87 |