Instinet
A Nomura Company

Disclosures under Chapter 8 of the MiFIDPRU Regulation

Instinet Europe Limited

31 March 2026



CONTENTS

1.0 OVERVIEW 4
1.1 Introduction 4
1.2 Scope and Frequency of Disclosure 4
2.0 CORPORATE STRUCTURE AND BUSINESS OVERVIEW 5
2.1 Corporate Structure 5
2.2 Business Model 5
2.3. Business Environment 5
2.4. Diversity 5
3.0 GOVERNANCE AND RISK MANAGEMENT FRAMEWORK 7
3.1 Corporate Governance Overview and Objectives 7
3.2 Governance and Oversight 7
3.3 Corporate Governance Structure 7
3.3.1 The Board 7
3.3.2 Remuneration and Nominations Committee 10
3.3.3 Risk and Capital Committee 10
3.3.4 Agency Brokerage Regulatory Reporting Governance Committee (“ABRRGC”) 10
3.3.5 Electronic/Algorithmic Trading Governance Committee (“EATGC”) 11
3.3.6 Best Execution Committee (“BEC”) 11
3.3.7 BlockMatch Governance Committee (“BMGC”) 11
3.3.8 Technology Governance Committee (“TGC”) 12
3.3.9 Material Business Change Committee (“MBC”) 12
3.3.10 Conduct and Appropriateness of Renumeration Structures Committee (“CARSC”) 12
3.4 Directorships 14
3.5. Risk Management Framework 14
3.5.1 Risk Governance 14
3.5. 2 Risk Monitoring & Reporting 14
3.5.3 Risk Management Policies 14
3.6 Risk Appetite 15
3.7 Risk Categories 15
3.7.1 Financial Risks 15
3.7.2 Non-Financial Risks 16
3.7.3 Other Risks ESG: 16
3.8 Changes to Prudential Regulation 17
4.0 OWN FUNDS AND MINIMUM OWN FUNDS REQUIREMENTS 18
4.1 Own Funds 18

4.2 Own Funds Requirements 19
5.0 INTERNAL CAPITAL ADEQUACY AND RISK ASSESSMENT PROCESS ("ICARA") 23
6.0 REMUNERATION DISCLOSURE 24
6.1. Remuneration policy and process 24
6.2. Material Risk Takers 24
6.3. Link between pay and performance for material risk takers 24
6.4. Remuneration disclosure 25
CONTACT INFORMATION 26
APPENDIX 1: OWN FUNDS DISCLOSURES 27

1.0 OVERVIEW

1.1 Introduction

The disclosures set out herein have been provided in accordance with Chapter 8 of the Financial Conduct Authority's ("FCA") Markets in Financial Instruments Directive Prudential rulebook ("MiFIDPRU"). The purpose of these disclosures is to provide transparency to investors and the wider market.

In accordance with the MiFIDPRU 8.1.7, this document is intended to disclose information, on an individual basis, for Instinet Europe Limited ("IEL") relating to risk management objectives and policies, governance arrangements, level of own funds, own funds requirements, remuneration policies and practices and, to the extent they are relevant its investment policy and its exposure to environmental, social and governance risk. Information is disclosed by IEL under these rules, unless it does not apply, or is considered by the Board as being proprietary or confidential information (note: no disclosures have been omitted on these grounds).

1.2 Scope and Frequency of Disclosure

Chapter 8 disclosures are made in respect of IEL, as at the document's reference date, 31 March 2026, unless otherwise stated.

In accordance with the requirements of MiFIDPRU, disclosures will be made at least on an annual basis and published on the parent Group's corporate website (https://www.instinet.com/legal-regulatory).

2.0 CORPORATE STRUCTURE AND BUSINESS OVERVIEW

2.1 Corporate Structure

IEL is a private limited company domiciled in the UK and for the purposes of prudential regulation is part of the Instinet International Limited Group ("IIL Group") which includes the following legal entities:

- Instinet International Limited ("IIL") – the UK holding company;
- Instinet Europe Limited ("IEL") – an FCA authorised and regulated trading entity;
- Instinet Germany GmbH ("IGG") – a trading entity regulated by the Federal Financial Supervisory Authority for Germany (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"), with a branch in Paris;
- Instinet Global Services Limited ("IGSL") – a UK domiciled company providing services to IEL and IGG

It is part of the global Instinet group which itself is the equity trading arm of the Nomura Group.

2.2 Business Model

Instinet is a global agency broker offering institutional clients and market counterparties access to multiple global execution venues through its subsidiaries around the world, via high touch trader worked institutional client orders and low touch direct client access to electronic trading and algorithms.

IEL operates as an "agency brokerage". IEL's trading arrangements on markets which it is a member of are structured such that, whilst it only ever undertakes client business on specific instruction, taking no proprietary positions, it is still required to deal as principal on the market in order to effect client order execution. As such, when executing trades on markets, IEL is required to buy/sell to the market in a principal capacity and then sell/buy to the client in a principal capacity. Consequently, it will take "positions arising from client servicing" (albeit on a riskless principal basis as the market side and client-side transactions are matched/back-to-backed).

2.3. Business Environment

IEL operates in a highly regulated business environment with significant requirements in respect of transaction, financial and regulatory reporting, conduct, risk management and customer service, from the multiple regulators in the countries it operates. It is subject to regulations that constantly evolve in response to periods of financial instability, new business practices and economic and political developments and which are becoming more stringent over time in order to promote good practice and stability in the global financial markets.

2.4. Diversity

Instinet, and more widely Nomura, continue to focus on all aspects of diversity and inclusion and are committed to creating an inclusive culture that values the difference in our colleagues and creates an environment where all employees are heard and valued. The Nomura Group Purpose is to aspire to create a better world by harnessing the power of financial markets and considers Diversity, Equity, and Inclusion ("DEI") to be an essential component of its key management strategy:

Diversity: The presence of difference in which diverse talents and perspectives exist, encompassing nationality, race, age, gender, gender identity, sexual orientation, religion, beliefs, social status, disability, values, experiences, and more.

Equity: Creating an environment where everyone can achieve their goals by providing resources and opportunities tailored to individual circumstances and needs.

Inclusion: Actions that embrace diverse perspectives and ideas, foster mutual respect and maximize each individual's skills.

The Nomura Group has established governance structures to promote DEI at a global and regional level resulting in the development of DEI initiatives s which Instinet is a participant in. Through these initiatives we aim to increase awareness, engagement and involvement across all aspects of our diversity and inclusion agenda, inclusive of our inclusion networks, community affairs opportunities, health and wellbeing resources and volunteering offerings.

3.0 GOVERNANCE AND RISK MANAGEMENT FRAMEWORK

3.1 Corporate Governance Overview and Objectives

IEL's day to day business activities expose it to strategic, operational and financial risks. The Board accepts that it cannot place a cap or limit on all of the risks to which IEL is exposed, however effective risk management ensures that risks, including the risk of failure to achieve objectives and implement strategy and the risk of material financial misstatement or loss, are managed to an acceptable level. The Board, through the Risk and Capital Committee, is ultimately responsible for the implementation of an appropriate risk strategy, defining and communicating the IEL's risk appetite, the establishment and maintenance of effective systems and controls and continued monitoring of adherence to applicable policies.

The Board delegates to the CEO, who is supported by the Senior Management team and the Operating Committee, for the execution of the Board's risk strategy, including the management of risk appetite, and for supervising, monitoring and supporting the various Risk and Control functions.

IEL's approach to risk management within the business is set out within the Board approved Risk Appetite Statement and Risk Management Framework.

3.2 Governance and Oversight

Effective risk management requires a clearly defined risk governance structure, including definitive roles and responsibilities for all individuals involved in the risk management process across the IIL Group. As well as ensuring clarity of responsibility and accountability, the value that such a framework adds to commercial activities is also acknowledged.

The objectives of the clearly defined governance structure are to:

- Satisfy the needs of the business for proper consideration and decision making;
- To provide clear management support and a monitoring framework to add value to the business and identify and control risks;
- To ensure good governance principals are followed including:
  - Clear remits and definitions of responsibility, authority, accountability and lines of report;
  - Provision of appropriate delegated authority;
  - A framework to facilitate effective checks and balances in the management and oversight processes;
- To allow and encourage effective and constructive challenge of the executive;
- To apply best practice governance principals appropriate to the business.

3.3 Corporate Governance Structure

3.3.1 The Board

The Board's roles are:

1. Strategy and Management
   - Take responsibility for overall management of IEL;
   - Define IEL's risk appetite and tolerances and ensuring that this is embedded throughout all operations;

- Approve IEL's long-term objectives and commercial strategy;
- Approve the annual operating and capital expenditure budgets and any material changes to them;
- Oversight of IEL's operations ensuring competent and prudent management, prudent planning, an adequate system of internal controls, adequate accounting and other records, compliance with statutory and regulatory obligations;
- Review of the management's performance in the light of Nomura and Instinet Group strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken;
- Approve any decision which materially impacts IEL from any perspective, including, but not limited to, financial, operational, strategic or reputational;
- Approve any decision to establish any new business or extend IEL's activities into new business or geographic areas;
- Approve any decision to cease to operate all or any material part of the business;

2. Structure and Capital

- Approve major changes to the IEL structure, governance or management;
- Approve any changes to IEL's regulatory or prudential status;
- Monitor capital against defined risk appetite and tolerance;

3. Financial Reporting and Controls

- Approve the ICARA Report, annual report and the accounts, dividend policy, any significant changes in accounting policies or practices, approval of auditors' reports;

4. Internal Controls

- Ensure maintenance of a sound system of internal controls and risk management including receiving reports on, and reviewing the effectiveness of, IEL's risk and control processes to support its strategy and objectives, and undertaking an annual assessment of these processes;

5. Material Commitments

- Approve major capital projects; contracts which are material strategically or by reason of size, market impact etc., and major investments; commencement of litigious proceedings, settlement of claims etc.;

6. Approve shareholder communication, if any;

7. Board Membership and Other Appointments

- Approve changes to the structure, size and composition of the board;

- Ensure board considers diversity on the board when making additional appointments;
- Selection of the Chairman and the Chief Executive Officer;
- Approve membership of board committees;
- Approve continuation in office of any director at any time, including the suspension or termination of service of the executive director as a Group employee, subject to law and their service agreement;
- Appoint and remove the Company Secretary, Chief Risk Officer (if any), external Auditors;
- Approve appointments to the boards of any subsidiaries;
- Approve the appointment of any individual as a Senior Management Function (as defined by the FCA);

8. Delegation of Authority

- Set out divisions of responsibility between the Chairman and the Chief Executive Officer (as set out in the roles of responsibility, from time to time amended by the board);
- Approve the terms of reference for the board committees;
- Ensure the board has appropriate management information to oversee IEL performance against financial targets, key risk indicators and key performance indicators;
- Approve the individuals authorised to bind IEL and set out any conditions to that authorisation;
- Approve any changes to the above;

9. Policies

- Approval of corporate policies and procedures which it would be appropriate for the Board to approve;

The Board also has overall responsibility for establishing the Risk Management Framework, regulatory compliance and internal control framework and for ensuring that they work effectively.

The Board meets on a quarterly basis with additional meetings as required.

The Board has established Board Committees to oversee specific areas and delegated the day to day running of the firm to the CEO. The CEO has in turn established governance arrangements to assist him in managing the firm. The Board Committees and executive governance arrangements are set out as follows:

Board Committees

3.3.2 Remuneration and Nominations Committee

The Remuneration and Nominations Committee is a committee of the Board that is responsible for setting and developing remuneration and nomination policies and meet at least once a year, organised by the Global Head of Human Resources.

3.3.3 Risk and Capital Committee

The Risk and Capital Committee ("R&C") facilitates the effective management of risk.

The R&C, as delegated by the Board, sets out the overall risk strategy and risk appetite methodology of Instinet. Further, the role of the R&C is to provide oversight and challenge of, and give advice to the Board on:

- The Group's current risk appetite, tolerance and strategy, material risk exposures and future risk strategy and their impact on capital
- The structure of the Group's Risk Management framework and its suitability to react to forward-looking issues and changing nature of risks

Executive Committees

3.3.4 Agency Brokerage Regulatory Reporting Governance Committee ("ABRRGC")

The ABRRGC has been established to provide governance and oversight of the delivery of Instinet Europe's agency execution related regulatory reporting obligations. This includes, but is not limited to:

- Oversight and control of the firm's execution related regulatory submission programme, including but not limited to MiFID II obligations;
- Facilitating appropriate prioritisation;
- Management and monitoring of such delivery against the firm's obligations in Europe and the UK;
- Reviewing and enhancing the risk and controls across relevant business, technology and infrastructure/control functions. The following regulatory reporting obligations are managed by the relevant Forums and thus are out of scope for this Committee:
- Reporting submissions related to the Multilateral Trading Facility ("MTF") operated by the firm are deferred to the BlockMatch Governance Committee;
- Reporting submissions related to the firm's obligations to satisfy MiFID Article 27, C(2016)3337 (RTS 28 Best Execution) are under the remit of the Best Execution Committee;
- Reporting submission related to Financial, Compliance, Risk, Operational and Human Resources are deferred to the respective governance and control forum(s).

3.3.5 Electronic/Algorithmic Trading Governance Committee ("EATGC")

The EATGC's primary responsibility is to review and oversee key risk and control issues relevant to Instinet EMEA's algorithmic and electronic trading activity through:

- developing and implementing a governance, risk management and control framework addressing the specific risks associated with algorithmic and electronic trading activity;
- ensuring algorithmic and electronic trading specific risks and issues are identified, assessed, reported and managed in a transparent and consistent manner; and
- enhancing the algorithmic and electronic trading risk and control culture across relevant business, technology and infrastructure/control functions

3.3.6 Best Execution Committee ("BEC")

IEL has a duty to provide Best Execution ("Best Ex") to its clients. Best Ex is defined as an obligation to take "all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

IEL is required to have policies and procedures in place which are designed to ensure that Instinet meets its Best Execution obligation. The objectives of this Committee are as follows:

- To monitor the effectiveness of IEL's Best Ex arrangements;
- To ensure the Order Execution Policy ("OEP") explains clearly, in sufficient detail and in a way that can be easily understood by clients, how orders will be executed;
- Annually publish the top five execution venues for each class of instrument and information on the quality of execution obtained. In particular, it is the responsibility of the Committee to:
- Identify and oversee implementation of measures to ensure Instinet is in compliance with applicable UK regulations relating to Best Ex;
- Review and challenge whether existing arrangements relating to Best Ex can be deemed sufficient;
- Review any new guidance or regulations relating to Best Ex and be responsible for developing IEL's Best Ex strategy;
- Review any incidents or outliers where Best Ex may not have been provided and any steps taken to mitigate future occurrences;
- Ensure that the OEP accurately describes how client orders are executed;
- Ensure that assessments of execution venues and brokers are aligned with the OEP and that the results of those assessments are reflected in Instinet's routing practices;
- Ensure that significant changes to IEL's execution venues are adequately documented, including reasons for the change and how clients are to be notified;
- Oversee the production and publication of the reports required by RTS 28.

3.3.7 BlockMatch Governance Committee ("BMGC")

IEL operates a multilateral trading facility ("MTF"); BlockMatch UK. As an operator of an MTF, Instinet is required by the FCA to have in place effective governance, systems and

controls to ensure compliance with applicable obligations. Compliance with these rules is the responsibility of the BMGC.

The BMGC:

- identifies and implements appropriate measures to ensure BlockMatch UK complies with the applicable UK rules and regulations.
- reviews and challenges the overall control framework for BlockMatch UK;
- reviews emerging risks and themes, and new regulations related to the management of MTFs;
- reviews and discusses material incidents and operational risk events related to BlockMatch UK;
- reviews Internal Audit issues and actions related to BlockMatch UK ;
- reviews performance, development programme and delivery, including related metrics, as presented to the BMGC;
- Discuss business related changes to the management of BlockMatch UK.

3.3.8 Technology Governance Committee ("TGC")

This committee considers Technology Risks (across Technology, Information Security and Change Management). The Group defines its key Technology Risk exposures to include:

- Cyber-crime (Technology and Information Security);
- Technology change management (Change Management);
- System capacity (Technology);
- Data access (Information Security);
- Data feeds (Technology);
- System Business Continuity Management (Business Continuity).

3.3.9 Material Business Change Committee ("MBC")

The objective of the MBC committee is to advise and assist the business in implementation of business proposals by determining whether a material business change can be supported by the current infrastructure and available resources, is within the legal and regulatory construct and is commensurate with the risk appetite of the firm.

3.3.10 Conduct and Appropriateness of Renumeration Structures Committee ("CARSC")

IEL is committed to ensuring that remuneration is structured so it promotes behaviours that support sound and effective risk management, that does not encourage risk taking that exceeds the group's risk appetite or provide an incentive to breach the Instinet group's policies and procedures. The CARSC has been established to provide oversight of the delivery of Instinet's controls relating to Conduct Risk across the UK and Europe.

As such, the Committee is responsible for:

- Endorsing and monitoring compliance with the Conduct Risk Policy Standard (the "Standard") and providing the necessary support and guidance to staff in order to mitigate the risk of breaching the Standard's requirements;

- Delegating Conduct Risk training to be developed and annually deployed by Risk and Compliance;
- Identifying and distributing appropriate Management Information to support the development of and compliance with the Standard; and
- Ensuring the appropriateness of Instinet's remuneration systems and practices considering regulatory requirements.

3.4 Directorships

The table below shows our directors and their number of both internal and external directorships as at 31st March 2026:

Director	Internal directorships	External directorships
Jonathan Lewis	6	4
Daisuke Mototani	8	0
Magnus Falk	5	2
Richard Parsons	12	0

3.5. Risk Management Framework

IEL has implemented frameworks to evaluate and control the possibility of potential losses arising from Instinet's various operations and transactions.

IEL seeks to understand and control all risks arising from its strategy, whether the risks are proactively entered into (e.g. transaction lifecycle risk) or passively entered into (e.g. information management risk is unavoidable due to the need to use IT infrastructure).

IEL seeks to quantify risks materially impacting the firm as far as possible. In the quantification process, Instinet uses a variety of methods including both statistical analysis and non-statistical methods, such as stress testing. Where risks are difficult to quantify, qualitative guidance in the management of these risks is provided in the Risk appetite statement and in supporting policies and procedures.

IEL seeks to mitigate risks which are outside its area of experience and knowledge, and those that are difficult to control. Such risks are only accepted on an exceptional and limited basis.

3.5.1 Risk Governance

IEL uses the Three Lines of Defence approach in line with the Nomura Risk Management Policy of Three Lines of Defence and all executives and employees are aware of their roles and actively engage in the firm's risk management.

3.5. 2 Risk Monitoring & Reporting

IEL follows Nomura Group's Risk Monitoring and Reporting Frameworks to ensure that risks are controlled within the limits set out under the IEL Risk Appetite. Risk Owners along with the respective Control Owners are responsible for identifying the relevant controls that reduce and mitigate their respective risk(s).

3.5.3 Risk Management Policies

Instinet Group leverages the Nomura Group risk management policies that are in place to cover all major risk categories. These policies outline the minimum requirements that must

be followed to identify, assess, control and monitor risks. Compliance with risk management policies supports achievement of the business strategy and balances the needs of all stakeholders.

3.6 Risk Appetite

IEL's capacity to take risk is determined by what constraints there are on the business; including available financial resources and business conditions. The role of 'risk appetite' is to provide an expression of how much risk IEL is prepared to take within that risk capacity to support the business plan and strategy. IEL's Risk Appetite Statement ("RAS") has been expressed through qualitative and quantitative statements approved at the Board level.

3.7 Risk Categories

3.7.1 Financial Risks

Market Risk

Market Risk is defined as the risk of losses arising from fluctuations in values of financial assets or debts (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others).

While this has been identified as a key risk, as an agency broker facilitating client orders, the nature of the business means that market risk is minimal, except in exceptional circumstances, such as the potential contingent equity risk as a result of a credit or operational risk event.

Credit Risk

Credit Risk is defined as the risk of loss arising from an obligor's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms.

IEL is exposed to credit risk through counterparty credit risk and concentration risk. Counterparty credit risk is the risk of loss when a counterparty does not meet its trading obligations on, for example, DVP Cash trading, FX or SBL activity whereas concentration risk is where the Group is exposed to concentrated risk to institutional obligors (banks, CCPs, etc).

Liquidity Risk

Liquidity Risk is defined as the risk of loss arising from difficulty in securing the necessary funding or from a significantly higher cost of funding than normal levels due to a deterioration in IIL Group's creditworthiness or in market conditions.

Model Risk

Model Risk is defined as the risk of financial loss, incorrect decision making, or damage to the firm's credibility arising from Model errors or incorrect or inappropriate Model application.

3.7.2 Non-Financial Risks

Operational Risk

Operational Risk is defined as the risk of financial loss or non-financial impact arising from inadequate or failed internal processes, people and systems or from external events. It includes in its definition the following Non-Financial Risk categories:

- People
- IT & Cyber
- Business Resilience
- Transaction Lifecycle
- Financial Reporting and Tax
- Fraud
- Prudential Risk Frameworks
- Third Party
- Compliance
- Legal

It does not include strategic risk and reputational risk; however, some operational risks can lead to reputational issues and as such operational and reputational risks may be closely linked.

Reputational Risk

The possible damage to Instinet's reputation and associated risk to earnings, capital or liquidity arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with Instinet's values and corporate philosophy.

Instinet requires all personnel to consider the impact of their actions or inactions on Instinet's reputation and apply high standards to their behaviour as set out in the Group Code of Conduct and Instinet's Conduct Risk Policy Standard.

3.7.3 Other Risks ESG:

Environmental, Social and Governance

ESG is a collective term for Environmental ("E"), Social ("S") and Governance ("G") factors. "Environmental" includes issues related to impacts on the natural environment, including climate change. "Social" includes interactions with stakeholders and communities, for example the approach to human rights, workplace related issues and engagement on social issues. Governance includes issues related to corporate governance, corporate behaviour and the approach to transparent reporting.

Strategic Risk

Strategic Risk is defined as the risk to current or anticipated earning, capital, liquidity, enterprise value, or the Instinet's reputation arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to change in the industry or external environment.

Strategic Risk is managed by the Board.

3.8 Changes to Prudential Regulation

The UK Investment Firms Prudential Regime (IFPR) came into force on 1 January 2022. Its aim is to streamline and simplify the prudential requirements for FCA solo-regulated investment firms authorised under the Markets in Financial Instruments Directive (MiFID) and refocuses prudential requirements away from solely the risks faced by each regulated entity to also consider potential risks of harm that the entity poses to clients and markets.

The Group has undertaken the implementation of IFPR based on the rules set out in FCA consultation papers and policy statements.

4.0 OWN FUNDS AND MINIMUM OWN FUNDS REQUIREMENTS

4.1 Own Funds

IEL own funds as at 31 March 2026 are summarised in table 4.1.1 below.

Common equity tier 1 capital ("CET1")

The Group's regulatory capital consists entirely of CET1 capital, made up of £288.5m of fully paid-up ordinary shares, audited retained earnings and other reserves.

Ordinary shares carry voting rights and are 100% owned by Instinet International Limited, incorporated in the United Kingdom. The ultimate parent company is Nomura Holdings, Inc, of Japan. Capital deductions Own funds are subject to the following deductions from CET1:

- Deduction of intangible assets;
- Application of the additional value adjustment;

Table 4.1.1 Own Funds

Own funds	31 March 2026 £m	31 March 2025 £m
Common equity Tier 1 (CET1) capital instruments and reserves	**289.4**	**289.4**
- Ordinary shares	*288.5*	*288.5*
-Share premium	*0.8*	*0.8*
Retained earnings	(52.6)	(61.1)
Other reserves	2.3	2.1
CET1 capital before regulatory adjustments	**239.0**	**230.3**
CET 1 capital regulatory adjustments Intangible assets/value adjustments	0.0	0.0
Material Holdings	(42.0)	(42.0)
Deferred tax asset	(6.4)	(4.4)
CET1 capital	**190.6**	**183.9**
Total own funds	**190.6**	**183.9**

The increase in own funds reflects the retained profits for the year ended 31 March 2026.

Table 4.1.2 Reconciliation of total own funds to shareholders' equity

Category	31 March 2026 £'m	31 March 2025 £'m
Shareholders' equity per financial statements		
Called up share capital	288.5	288.5
Share premium	0.8	0.8
Retained earnings	(52.6)	(61.1)
Other reserves	2.3	2.1
Less regulatory adjustments for own funds	(48.4)	(46.4)
Total own funds	**190.6**	**183.9**

4.2 Own Funds Requirements

MiFIDPRU 4.3 stipulates that investment firms shall at all times have minimum own funds equivalent to the higher of:

- Permanent Minimum Requirement (PMR) – a flat minimum requirement of £750k;
- Fixed Overheads Requirement (FOR) – one-quarter of the fixed overhead costs of the previous year. This is an amount used as a proxy for sufficient funds to begin wind-down in an orderly way;
- K-Factor Requirement (KFR) – the amount of own funds sufficient to cover the risk of harm from the ongoing operation of the Firm's business.

The k-factors are attributed to three risk categories:

- RtC: Risk to Client;
- RtM: Risk to Market;
- RtF: Risk to Firm;

The capital requirement from the K-factor formula is the sum of RtC, RtM & RtF. To capture each of these three components, firms are required to use their own metrics (below) multiplied by prescribed K-factors.

Risk type	K-factor	Co-efficient	Summary
Risk-to-Customers (RtC): quantification of the potential harm the firm may pose to its customers	K-AUM (assets under management)	0.02%	Value of assets that a firm manages for its customers. N/A
	K-CMH (client money held)	0.4% (on segregated accounts) 0.5% (on non-segregated accounts)	Amount of client money that a firm holds, considering the legal arrangements in relation to asset segregation and irrespective of the national accounting regime applicable to client money.

	K-ASA (safeguarded assets)	0.04%	Value of assets that a firm safeguards and administers for clients, irrespective of whether assets appear on the firm`s own balance sheet or third-party accounts.
	K-COH (client orders handled)	0.1% (cash trades) 0.01% (derivatives)	Value of orders that an investment firm handles for clients, through the reception and transmission of client orders and through the execution of orders on behalf of clients.
Risk-to-Market (RtM): K-factor requirement for trading book positions but this includes other positions where these give rise to FX risk	K-NPR (net position risk)	N/A	Position risk charge calculated using standardised approach. Intercompany positions are eliminated on consolidation. Positions may only be aggregated across Group companies with permission (i.e. NPR positions are additive).
	K-CMG (clearing member guarantee)	N/A	This is the amount of the total margin required by a clearing. member or qualifying central counterparty. Requires permission from the FCA: MIFIDPRU 4 Annex 7
Risk-to-Firm (RtF): quantification of a firm's exposure to the default of its trading partners	K-TCD (trading counter-party default)	α * (exposure value-collateral) * CVA α = 1.2 Exposure value = Max (0, (RC+PFCE-C))	Exposure in the trading book of a firm in instruments and transactions giving rise to risk of trading counterparty default.
	K-DTF (daily trading flow)	0.1% (cash trades) 0.01% (derivatives)	Daily value of transactions that a firm enters through dealing on own account or the execution of orders on behalf of clients in its own name, excluding the value of orders that a

			firm handles for clients through the reception and transmission of client orders and through the execution of orders on behalf of clients which are already considered in the scope of K-COH.
	K-CON	N/A	Exposure in the trading book of a firm to a client or group of connected clients which exceeds the limits in the IFR.

The following Risk Types and K-Factors are not applicable to the Firm's business model:

- K-AUM; The Firm manages no assets;
- K-COH: Client orders are calculated under the K-DTF factor;
- K-CMG: No application made to FCA as, exposure to CCP default funds aside, the Group is not exposed to bilateral risk on the products it trades;

IEL determines its minimum own funds requirements on a daily basis in accordance with the requirements set out in MiFIDPRU 7 sections 4 and 5. A summary report, which includes variance analysis and points of note, is distributed widely to key management.

As at 31 March 2026, IEL's risk exposures were as follows:

Table 4.2.1 Own funds capital requirements

	31 March 2026 Capital requirement £'000	31 March 2025 Capital requirement £'000
Permanent minimum requirement (PMR)	**0.8**	**0.8**
Total K-factor requirement (KFR)	**8.1**	**7.0**
Risk-to-Client (RtC)	*0.0*	*0.01*
Risk-to-Market (RtM)	*1.2*	*1.19*
Risk-to Firm (RtF)	*6.8*	*5.75*
Fixed overheads requirement (FOR)	**15.6**	**14.1**
Own funds requirement	**15.6**	**14.1**

IEL is required, at all times, to satisfy the following minimum own funds requirements:

- Common Equity Tier 1 capital ratio ≥ 56%;
- Tier 1 capital ratio ≥ 75%; and
- Total capital ratio ≥ 100%.

The Firm's capital ratios as at 31 March 2026 and 31 March 2025 are summarised below:

	31 March 2026 %	31 March 2025 %
Risk-based capital ratios as a percentage of risk-weighted assets	1224%	1303%
Common equity tier 1 capital ratio		
Tier 1 capital ratio	1224%	1303%
Total capital ratio	1224%	1303%

Additionally, the Firm undertakes an assessment of the financial impact of any harm that is not covered by its PMR, FOR or KFR in determining its Total Own Funds Requirement in its annual Internal Capital and Risk Assessment Process.

5.0 INTERNAL CAPITAL ADEQUACY AND RISK ASSESSMENT PROCESS ("ICARA")

The Board undertakes an annual ICARA, prepared under the requirements of the Financial Conduct Authority (FCA) and the Investment Firm's Prudential Regime (IFPR), which describes the risk processes and controls in place to assess the risk exposures on an on-going basis.

In addition, the ICARA describes how the Group mitigates these risks and analyses how much current and future capital and liquidity are required, having considered all risk mitigating factors.

In the ICARA the Group considers whether its calculation of minimum own funds underestimates the risks to which it is exposed and, consequently, whether additional financial resources should be allocated. There is also an estimate of the costs associated with a solvent wind-down of the Group.

Additional own funds requirements are outside of the scope of the disclosures considered herein.

The ICARA is reviewed and approved by the Board at least annually. If significant business changes occur between these review dates, then the ICARA is amended and resubmitted for review and approval.

6.0 REMUNERATION DISCLOSURE

For the Financial Period to 31 March 2026 IEL as part of the IIL Group, was subject to the MIFIDPRU Remuneration Code, pursuant to IFPR, was classified as a 'non-SNI MIFIDPRU investment firm' under the IFPR (as determined by MIFIDPRU 1.2), and met the thresholds set out in SYSC 19G.1.1R for 'extended' remuneration requirements to apply to IEL.

6.1. Remuneration policy and process

For the period 31 March 2026, the Board of Instinet International Limited, for the benefit of the whole IIL Group including IEL, established a Remuneration and Nominations Committee. The committee comprises a Non-Executive Chairman and two Non-Executive Directors. The duties, as documented in the Terms of Reference of the Remuneration Committee (the "Committee"), include:

- The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the company's employees (the "Remuneration Policy"). No director or manager shall be involved in any decisions as regards to their own remuneration;
- In determining the Remuneration Policy, the Committee shall take into account all factors which it deems necessary, including, but without limitation, its regulatory obligations as an entity regulated by the FCA, conduct and culture and appropriate incentives to encourage enhanced performance;
- The Committee shall review the ongoing appropriateness and relevance of the Remuneration Policy;
- The Committee shall:
    - review and note annually the remuneration trends across the company; and
    - oversee any major changes in employee benefit structures throughout the company.
- The Committee shall obtain reliable, up to date market information about remuneration.

  The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations;

  The Committee shall consider such other matters as may be requested by the Board.

6.2. Material Risk Takers

MIFIDPRU requires firms to identify material risk takers and to set remuneration structures for them in line with SYSC 19G, this includes ensuring variable compensation for material risk takers who are not exempt is subject to deferrals and other long term incentive mechanisms. The definition of "material risk taker" is set out in SYSC 19G.5.

6.3. Link between pay and performance for material risk takers

Remuneration for employees is made up of fixed pay (i.e. salary and benefits) and variable pay, that is performance-related pay based on individual and Group performance. The variable bonus pool is set by the firm's immediate parent company in consultation with its ultimate parent company. Instinet EMEA's senior management team proposes individual

allocation based on, inter alia, appraisals. The appraisal takes into account consideration of regulatory compliance and risk behaviour. Proposals are then submitted to the Committee for approval. Bonuses are completely discretionary, so the structure of the remuneration package is such that the Firm can operate a truly flexible bonus policy.

6.4. Remuneration disclosure

For the Performance Period to 31 March 2026, the aggregate total compensation paid to Instinet Europe's 5 Material Risk Takers was £3,934,963. This was split between fixed and variable compensation as follows: £1,700,282 (fixed) and £2,234,681 (variable).

CONTACT INFORMATION

Should you require any further information, please contact:

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Instinet International Limited
1 Angel Lane
London
EC4R 3AB

APPENDIX 1: OWN FUNDS DISCLOSURES

Capital instruments main features		Common Equity
1	Issuer	Instinet Europe Ltd
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	English
Regulatory treatment		
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Common shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	£288.5 million
9	Nominal amount of instrument	249m @ £1.00 each 115m @ £0.09745 each 97m @ £0.10 each 189m @ £0.10
a. Issue price		249m @ £1.00 each 115m @ £0.09745 each 97m @ £0.10 each 189m @ £0.1425 each
b. Redemption price		N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	12 June 1985
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior regulatory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A

16	Subsequent call dates if applicable	N/A
Coupons / dividends		
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
	b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to senior creditors
36	Non-compliant transitional features	No
37	If yes, specify non-compliant features	N/A