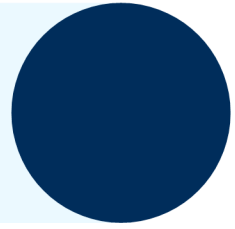


Tradeweb Risk Management Fact Sheet



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 has always been a part of the fabric of our organization. Tradeweb views risk management as an integrated business process that is essential to the overall success of the business and as a result, the Firm is committed to taking a holistic approach to risk management that is proactive, efficient and aligned with business needs. As a firm, Tradeweb understands the importance and benefits of effective risk management, including the increase of C-suite visibility into the risks affecting our organization (strengthening the decision-making process) and encouraging more informed risk taking. Tradeweb understands that integrating risk management strategies, tools, and processes into the Firm's organizational goals leads to improved product performance, greater brand recognition, and the delivery of sustainable financial results.

Tradeweb has a dedicated Enterprise Risk Management (ERM) team responsible for identifying, assessing, mitigating, monitoring and reporting on risks across the Firm in alignment with industry standards and best practices. Additionally, Tradeweb has an extensive governance structure and executive level oversight that supports risk management and its framework. This includes a dedicated Risk Committee chaired by our Chief Risk Officer with participation from senior members of the Business and Corporate functions. This Committee provides governance and supervision of the risk framework, reviews the company's risk profile, approves risk appetite, and reviews and approves material policy changes.

Tradeweb follows the industry standard 'three lines of defense' model. This model allows for proper delineation of roles and responsibilities to manage risk:

- **First Line of Defense:** Business managers are accountable for managing the risk generated by their activities and help coordinate the way these risks are identified, managed, mitigated, and reported.
- **Second Line of Defense:** The Compliance, Risk Management, and Information Security Teams are responsible for advising the first line of defense on relevant regulatory requirements and implementing risk management strategies tailored to the firm's risk profile. The second line of defense provides risk management oversight. Further, the second line monitors and reports top risk insights, as well as provides a standardized framework to improve decision making.
- **Third Line of Defense:** Internal Audit (IA), operates as the third line of defense providing risk-based, independent assurance and advice to management by examining, evaluating, and recommending improvements on the adequacy and effectiveness of management's 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 associated with the Firm’s business. Tradeweb maintains a risk management program that is commensurate with the level of risk posed to its business and clients. Tradeweb’s risk management program is rooted in enterprise policies and industry standards, including best practices outlined 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 defined by the Firm’s risk taxonomy and mitigate potential impacts on clients and the broader markets. Tradeweb manages its risk in a manner appropriate to each business, allowing for risk informed decisions that support strategic objectives. The ERM team partners with the business to provide guidance and assurance while assessing, monitoring and reporting on risks. The objective of risk management at Tradeweb is not to avoid risk taking, but instead to maintain a high level of transparency and control over the risks associated with delivering business objectives.

Tradeweb takes a proactive approach to risk management. This includes identifying risks before events materialize, understanding business trends, implementing processes to constantly monitor systems, managing risk processes, and testing key controls (both internally and independently). Tradeweb maintains a centrally managed and globally unified Risk Management Framework that ensures consistency in risk and control taxonomy across all lines of businesses. This framework facilitates uniform risk identification, assessment and measurement, a prioritized remediation plan and standardized metrics and reporting. Tradeweb’s Risk Management Framework is comprised of the following 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 using a risk-based approach. The scope of these activities focuses on areas with particularly high inherent risk.

Tradeweb identifies, assesses, measures, responds to, and reports on risk, as is appropriate for the Firm. Within the risk management lifecycle, conducting a risk assessment facilitates building a targeted and comprehensive risk profile inclusive of identified risks and controls. The ERM team is particularly well poised within the Firm to assess all risk taxonomy domains, setting the standard for the three lines of defense model in how Risk Assessments are conducted, reported and tracked. Tradeweb employs a standardized process overseen by ERM to identify and assess inherent risks against mitigation strategies (e.g., controls) to analyze and measure residual risk. This residual risk then guides the prioritization of control testing and analysis of pertinent data points (i.e. risk events, issues, regulatory change, market conditions, political and climate factors, etc.).

Risk Event Management

Tradeweb has an embedded risk event management process to oversee the lifecycle of risk response activities when a risk materializes. This Risk Event Lifecycle Management process provides guidance and assurance through which Tradeweb responds to Risk Events, including prioritization and impact analysis (i.e. root cause analysis, control effectiveness impact, residual risk assessment(s), remediation(s) identification and tracking, etc.) and required documentation and reporting needs in line with applicable regulatory requirements. The documentation and reporting of the Company's risk event management process provides insights that supports enterprise-wide risk management.

Risk Measurement

Control Assessment and Testing

Tradeweb implements a controls assessment framework, documenting existing control activities that reduce the criticality level of risks identified during the Risk Identification process.

Control testing is a process through which Tradeweb's Assurance functions (e.g. ERM, Regulatory Compliance and Audit) independently evaluate control design and operational effectiveness.

Tradeweb performs testing of relevant controls using a standardized control testing methodology and a risk-based approach, prioritizing controls that are important to safeguarding Tradeweb's assets and operations. Additionally, Tradeweb performs testing of relevant controls to mitigate regulatory impact on our businesses. Regulatory monitoring and control testing are performed using a risk-based approach to evaluate the company's ability to comply with regulations.

Risk Response and Remediation

Risk Appetite and Tolerance

Setting of risk appetite and tolerance is a key milestones of a mature risk management lifecycle. Tradeweb manages its risk(s) in a manner appropriate to each business, based upon the ongoing direction from senior management. In line with industry standards and best practices, Tradeweb has established Enterprise Risk Appetite statements. In addition, Tradeweb has established a procedure guiding the business on setting upper and lower tolerance limits using a combination of historical data and subject matter expertise to align with the specific needs of the business and enterprise. The tolerance limits provide a measurable indicator (e.g., trigger or alarm), which will advise if the Company is about to breach limits outside the risk tolerance and potentially exceed the risk appetite.

Each business at Tradeweb is responsible for reporting, monitoring, and escalating in the event their risk appetite and tolerance limits are about to be breached. At a minimum, management and the ERM team stay informed on the overall health of the businesses as it relates to their risk appetite and tolerance adherence. The ERM team aids in escalating to the risk committees, as necessary. In addition, the ERM team is responsible for reporting, monitoring, and escalating enterprise risk appetite to the relevant risk steering committees.

Issue Management

Tradeweb's ERM team aids business lines by providing a framework and guidance on identifying, mitigating, reporting, and monitoring issues. Business and Product Managers are responsible for being well versed in their relevant issues assigned to their respective processes and work towards maintaining risk levels within appetite. Issues that impact Tradeweb's level of risk appetite are included in appropriate governance sessions.

Risk Analysis and Reporting

Risk Analysis and Reporting refers to the process through which Tradeweb analyzes, reports on, and escalates risk information.

Risk Data Analytics and Reporting

Tradeweb has a consistent approach to risk analytics to enable better understanding of risks by business area, facilitate decision-making and identify opportunities for enhancement of Tradeweb's overall control environment.

Tradeweb provides risk oversight across key aspects of the company and comprehensive risk management reporting on key risk exposures and trends is provided to varying governance committees, senior leadership and key stakeholders. The reports are used to understand key risks to the organization and identify where improvements to processes and controls have had the maximum effect in reducing both the likelihood of incidents occurring and materialized impact.

Policy Management Program

Policy Framework

Tradeweb has a dedicated Policy Management Program in place led by the Policy Office that sits within the Tradeweb Risk Management team. Our Policy Management Program outlines a uniform structure for the development, approval, implementation, review, management and storage of policies, standards, and procedures (collectively “Policy Documents”) at Tradeweb. The goal of Policy Management at Tradeweb is to reduce risk and protect stakeholders by:

- Sharing knowledge/information with the right employees at the right time
- Centralizing Policy Documents in one place
- Facilitating the involvement of relevant stakeholders in Policy Documents creation, review and maintenance
- Ensuring Policy Documents remain relevant, up to date, and compliant with law and regulation
- Creating an audit trail for all the organization’s Policy Documents

Risk Management Policy Documents

A key component of Tradeweb’s Policy Management Program is the review and maintenance process. Tradeweb’s Risk Management Program Policy Documents are formally reviewed and approved as part of this process on an annual basis at minimum by the appropriate Policy Owners and Approvers. Tradeweb’s Risk Management Policy is reviewed and approved by the Global Head of Risk and the relevant Risk Committee on an annual basis.

Independent Reviews and Internal Audit

Tradeweb maintains strong internal controls, including Policy Documents that are regularly reviewed. We monitor changing laws, rules, regulations and guidelines in all countries in which we operate to make sure our global Risk Management program is aligned with industry standards and best practices.

Tradeweb has an Internal Audit team that performs on-going internal reviews of our controls. The Internal Audit team provides independent assurance that the risk management, governance and internal control processes are operating effectively. Tradeweb undergoes annual SOC1 and SOC2 audit reviews performed by a third-party firm. In addition to these SOC1/SOC2 audit reviews, Tradeweb is also required to remain in compliance with the regulatory bodies in the jurisdictions in which it operates.