

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K/A  
(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2021

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-34516

**Cowen Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**27-0423711**  
(I.R.S. Employer  
Identification No.)

**599 Lexington Avenue**  
**New York, New York 10022**  
**(212) 845-7900**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Exchange on Which Registered</u>
Class A Common Stock, par value \$0.01 per share	COWN	The Nasdaq Global Market
7.75% Senior Notes due 2033	COWNL	The Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company       Emerging growth company   
(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of Class A common stock held by non-affiliates of the registrant on June 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sale price of the Class A common stock on the NASDAQ Global Market on that date was \$1,142,196,218.

As of April 29, 2022 there were 27,494,230 shares of the registrant's Class A common stock outstanding.

Auditor Firm: KPMG LLP

Auditor Location: New York

Audit Firm ID: 185

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### **Explanatory Note**

Cowen Inc. (the “Company”) is filing this Amendment No. 1 on Form 10-K/A to its Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the “Form 10-K”) to provide additional information required by Part III, because the definitive proxy statement for our 2022 Annual Meeting of Stockholders will not be filed within 120 days after the end of our 2021 fiscal year. This Amendment No. 1 on Form 10-K/A does not change the previously reported financial statements or any of the other disclosure contained in Part I or Part II. Part IV is being amended solely to add new certifications in accordance with Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Because no financial statements have been included in this Amendment No. 1 on Form 10-K/A and this Amendment No. 1 on Form 10-K/A does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. We are not including the certifications under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Form 10-K/A.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance

#### DIRECTORS OF THE COMPANY

The number of directors currently serving on our Board of Directors is nine. The members of our Board of Directors are elected to serve a one-year term.

Set forth below is biographical information for each of the members of our Board of Directors. All ages are as of April 29, 2022.

**Jeffrey M. Solomon.** Age 56. Mr. Solomon is Chair and Chief Executive Officer of the Company and Chief Executive Officer of Cowen and Company, LLC, or Cowen and Company, and was appointed a director of the Company in December 2011. Previously, Mr. Solomon served as President of the Company, after serving in the roles of Chief Operating Officer and Head of Investment Banking. Mr. Solomon serves as a member of the Management Committee of Cowen. Mr. Solomon joined Cowen Investment Management (formerly Ramius) when it was founded in 1994 and was the co-portfolio manager responsible for the development, management and oversight of the multi-strategy investment portfolio. Currently, Mr. Solomon is Vice Chair and an inaugural member of the Securities and Exchange Commission's Small Business Capital Formation Advisory Committee which provides advice and recommendations on the Securities and Exchange Commission's rules, regulations and policy matters related to small businesses, including smaller public companies. Mr. Solomon serves on the Board of Directors of the American Securities Association and serves on the Executive Committee of the Partnership for NYC. Mr. Solomon is on the Board of Directors of the UJA-Federation of New York and is the Co-Chair of the King David Society. Mr. Solomon is also on the Board of Directors of the Foundation for Jewish Camp. Previously, Mr. Solomon was a member of the Committee on Capital Markets Regulation, an independent and nonpartisan 501(c)(3) research organization dedicated to improving the regulation of U.S. capital markets. Mr. Solomon graduated from the University of Pennsylvania in 1988 with a B.A. in Economics. Mr. Solomon provides the board with institutional knowledge of all aspects of the Company's businesses and, as Chief Executive Officer, he is able to provide in-depth knowledge of the Company's business and affairs, management's perspective on those matters and an avenue of communication between the Board and senior management.

**Brett H. Barth.** Age 50. Mr. Barth was elected to our Board on June 26, 2018. Mr. Barth co-founded BBR Partners in 2000 and is a Co-CEO, co-managing the firm and overseeing all investment and client activity. He has extensive experience vetting investment opportunities across the asset class spectrum and through a range of market environments, working with both traditional and alternative investment managers. Mr. Barth is also a member of BBR's Executive Committee and Investment Committee. Prior to founding BBR, Mr. Barth was in the Equities Division of Goldman Sachs. Previously, he served in Goldman's Equity Capital Markets groups in New York and Hong Kong. He began his career in Goldman Sachs' Corporate Finance Department. Mr. Barth is an independent director of Golden Arrow Acquisition Corp ("GAMC") and serves on GAMC's Audit Committee. Mr. Barth is a trustee of the University of Pennsylvania as well as a member of the Board of Overseers of the Graduate School of Education. He previously served as both the Chair of the Penn Fund, the University of Pennsylvania's undergraduate annual giving program, and as the Inaugural Chair of the Undergraduate Financial Aid Leadership Council. He is a member of the board and executive committee of the UJA-Federation of New York, he co-chairs the Annual Campaign and he serves on the endowment's Investment Committee. Mr. Barth was awarded the Alan C. Greenberg Young Leadership Award by UJA-Federation of New York, Wall Street & Financial Services Division. In addition, Mr. Barth is a member of the Investment Advisory Counsel for Waycrosse, Inc., a premier multi-generational, single-family office based in Minneapolis, MN. Mr. Barth graduated summa cum laude with concentrations in Finance and Accounting from the Wharton School of the University of Pennsylvania. Mr. Barth provides the Board with extensive investment and wealth management expertise.

**Katherine E. Dietze.** Age 64. Ms. Dietze was appointed to our Board in June 2011 upon the completion of Cowen's acquisition of LaBranche & Co., Inc., or LaBranche. Ms. Dietze was a member of LaBranche's board of directors since January 2007. Ms. Dietze served as the Audit Committee Chair at LaBranche. Ms. Dietze spent over 20 years in the financial services industry prior to her retirement in 2005. From 2003 to 2005, Ms. Dietze was Global Chief Operating Officer for the Investment Banking Division of Credit Suisse First Boston. From 1996 to 2003, she was a Managing Director in Credit Suisse First Boston's Telecommunications Group. Prior to that, Ms. Dietze was a Managing Director and Co-Head of the Telecommunications Group in Salomon Brothers Inc's Investment Banking Division. Ms. Dietze began her career at Merrill Lynch Money Markets after which she moved to Salomon Brothers Inc. to work on money market products and later became a member of the Investment Banking Division. Ms. Dietze is a director, a member of the Governance Committee and Chair of the Finance Committee of Matthews International Corporation (MATW), a designer, manufacturer and marketer of memorialization products and brand solutions. Ms. Dietze was a member of the Board of Trustees for Liberty Property Trust, which was purchased by Prologis. Ms. Dietze holds a B.A. from Brown University and an M.B.A. from Columbia Graduate School of Business. Ms. Dietze provides the Board with extensive experience in Investment Banking management and corporate governance expertise as a public company director.

**Gregg A. Gonsalves.** Age 54. Mr. Gonsalves was appointed to our Board in April 2020. Mr. Gonsalves has been an advisory partner with Integrated Capital LLC, a leading, hotel-focused, private real estate advisory and investment firm since 2013. Prior to joining Integrated Capital, Mr. Gonsalves was a managing director at Goldman Sachs and was the partner responsible for the Real Estate Mergers & Acquisition business. In his 20-year career at Goldman Sachs, Mr. Gonsalves completed over 50 M&A transactions worth approximately \$100 billion in deal value, working with a variety of companies in a wide range of industries. Mr. Gonsalves serves as Chairman of the Board of Directors of Cedar Realty Trust, a publicly-traded retail REIT, and is on the Board of RREEF America REIT II, a private, open-end core real estate fund, and on the Board of POP Tracker LLC, a private company focused on providing proof of performance to the out-of-home advertising industry. He began his career as a sales engineer at Mobil Oil Corporation from 1989 to 1991. Mr. Gonsalves received a B.S. from Columbia University and received an M.B.A. from Harvard Business School. Mr. Gonsalves is presently Chairman of the Board of Directors of the Jackie Robinson Foundation, where he has served as a Board member for approximately the past ten years. Mr. Gonsalves provides the Board with extensive investment banking and real estate investment experience.

**Lorence H. Kim M.D..** Age 48. Dr. Kim was appointed to our Board on February 15, 2022. Dr. Kim is currently a Venture Partner at Third Rock Ventures. Until June 2020, he served as Chief Financial Officer of Moderna, leading efforts to raise \$4.4 billion of capital to build the company's mRNA platform and a pipeline of novel medicines. At the time of his departure, Moderna had raised the three largest private financings and the largest IPO in biotech history. Dr. Kim joined Moderna after spending 14 years at Goldman Sachs, most recently as a Managing Director and co-head of the U.S. biotechnology investment banking effort. Dr. Kim currently serves as a member of the Boards of Directors of Flare Therapeutics, a biotechnology company targeting transcription factors to discover precision medicines for cancer and other diseases, and Abata Therapeutics, a company focused on translating the biology of regulatory T cells (Tregs) into transformational medicines for patients living with severe autoimmune and inflammatory diseases, and on the Board of Governors of the American Red Cross. He previously served on the Board of Seres Therapeutics. Dr. Kim graduated magna cum laude from Harvard University with a bachelor's degree in biochemical sciences. He earned an M.B.A. in healthcare management as a Palmer Scholar from the Wharton School of the University of Pennsylvania and an M.D. from the University of Pennsylvania School of Medicine. Dr. Kim provides the Board with expertise and insight into matters such as investment banking, biotechnology corporate finance, oversight and strategy.

**Steven Kotler.** Age 75. Mr. Kotler was elected to our Board on June 7, 2010. Mr. Kotler currently serves as Vice Chairman of the private equity firm Gilbert Global Equity Partners, which he joined in 2000. Prior to joining Gilbert Global, Mr. Kotler, for 25 years, was with the investment banking firm of Schroder & Co. and its predecessor firm, Wertheim & Co., where he served in various executive capacities including President & Chief Executive Officer, and Group Managing Director and Global Head of Investment and Merchant Banking. Mr. Kotler is a director of CPM Holdings, an international agricultural process equipment company; and Co-Chairman of Birch Grove Capital, an asset management firm. Mr. Kotler is a member of the Council on Foreign Relations; and, from 1999 to 2002, was Council President of The Woodrow Wilson International Center for Scholars. Mr. Kotler has previously served as a Governor of the American Stock Exchange, The New York City Partnership and Chamber of Commerce's Infrastructure and Housing Task Force, The Board of Trustees of Columbia Preparatory School; and, the Board of Overseers of the California Institute of the Arts. Mr. Kotler also previously served as a director of Cowen Holdings from September 2006 until June 2007. Mr. Kotler provides the Board with extensive experience in leading an international financial institution and expertise in private equity.

**Lawrence E. Leibowitz.** Age 62. Mr. Leibowitz was elected to our Board on June 26, 2018. Mr. Leibowitz is a finance and technology entrepreneur who specializes in business transformation and capital markets. Mr. Leibowitz serves as Vice Chairman of XCHG Xpansiv, an intelligent commodities exchange focusing on renewable energy products. Mr. Leibowitz also serves on the board of various other private companies in the data management and digital law businesses. Most recently, Mr. Leibowitz served as Chief Operating Officer, Head of Global Equities Markets and as a Member of the board of directors of NYSE Euronext, holding such positions from 2007 to 2013. Prior to that, Mr. Leibowitz served as Chief Operating Officer of Americas Equities at UBS, Co-head of Schwab Soundview Capital Markets, and CEO of Redibook. Mr. Leibowitz was formerly a founding partner at Bunker Capital, and Managing Director and Head of Quantitative Trading and Equities technology at CS First Boston. Mr. Leibowitz provides the Board with extensive capital markets knowledge, including trading microstructure, regulation, asset management and quantitative methods.

**Margaret L. Poster.** Age 70. Ms. Poster was appointed to our Board in April 2019. Ms. Poster served as Chief Operating Officer and Managing Director of Willkie Farr & Gallagher LLP from 1991 through 2018. Ms. Poster is an Executive Managing Director at Cushman & Wakefield, serving in an advisory capacity in the legal sector. Ms. Poster formerly served as President of Workbench, Inc., Chief Financial Officer of Barnes & Noble Bookstores Inc. and Chief Financial Officer of the Jewelry & Sporting Good Division at W.R. Grace & Co. Ms. Poster began her career as an auditor at PricewaterhouseCoopers LLP. Ms. Poster was a Director of Generation Citizen, where she was the Chair of the Finance Committee and Audit Committee, and was a trustee of Blythedale Children's Hospital from 1992 until 2011. Ms. Poster is a certified public accountant and received a Masters of Business Administration from Harvard Business School. Ms. Poster provides the Board with comprehensive operating and public accounting experience.

**Douglas A. Rediker.** Age 62. Mr. Rediker was appointed to our Board in April 2015. Mr. Rediker is the Executive Chairman of International Capital Strategies, LLC, a policy and markets advisory boutique based in Washington, D.C. Until 2012, he was a member of the Executive Board of the International Monetary Fund representing the United States. He has held senior and visiting fellowships at Brookings, the Peterson Institute for International Economics and at the New America Foundation. He has written extensively and testified before Congress on the subject of state capitalism, global finance, Sovereign Wealth Funds and other issues surrounding the relationship between international economic policy, financial markets, global capital flows and foreign policy. Mr. Rediker previously served as a senior investment banker and private equity investor for a number of investment banks, including Salomon Brothers, Merrill Lynch and Lehman Brothers. Mr. Rediker began his career as an attorney with Skadden Arps in New York and Washington, D.C. Mr. Rediker's experience on global macro issues provides the Board with expertise relating to capital markets, the economy and global governance.

#### EXECUTIVE OFFICERS OF THE COMPANY

Biographies of the current executive officers of the Company are set forth below, excluding Mr. Solomon's biography, which is included under "Directors of the Company" above. Each executive officer serves at the discretion of the Board.

**John Holmes.** Age 58. Mr. Holmes serves as Chief Operating Officer and serves as a member of the Management Committee of Cowen. Mr. Holmes previously served as the Company's Chief Administrative Officer and was appointed an executive officer in May 2013. Mr. Holmes was the Head of Technology and Operations at Cowen following the merger between Cowen and Company and Cowen Investment Management (formerly Ramius). Mr. Holmes joined Cowen Investment Management in June 2006 as Global Head of Operations. Prior to joining Cowen Investment Management, Mr. Holmes was Global Head of the Equity Product Team at Bank of America Securities. Mr. Holmes has also held senior operations management positions at Deutsche Bank, Credit Lyonnais and Kidder Peabody. His experience includes treasury, foreign exchange, equity, fixed income & derivative operations. Mr. Holmes is NASD licensed as a General Securities Representative, General Securities Principal and a Financial & Operations Principal.

**Stephen A. Lasota.** Age 59. Mr. Lasota serves as Chief Financial Officer of Cowen and serves as a member of the Management Committee of Cowen. Mr. Lasota was appointed Chief Financial Officer in November 2009. Prior to the consummation of the business combination of Cowen Holdings and Cowen Investment Management (formerly Ramius) in November 2009, Mr. Lasota was the Chief Financial Officer of Cowen Investment Management and a Managing Director of the company. Mr. Lasota began working at Cowen Investment Management in November 2004 as the Director of Tax and was appointed Chief Financial Officer in May 2007. Prior to joining Cowen Investment Management, Mr. Lasota was a Senior Manager at PricewaterhouseCoopers LLP.

**Owen S. Littman.** Age 49. Mr. Littman serves as General Counsel and Secretary of Cowen and serves as a member of the Management Committee of Cowen. Mr. Littman was appointed General Counsel and Secretary in July 2010. Following the consummation of the business combination of Cowen Holdings and Cowen Investment Management (formerly Ramius) in November 2009, Mr. Littman was appointed Deputy General Counsel, Assistant Secretary and Managing Director of Cowen and General Counsel and Secretary of Cowen Investment Management. Mr. Littman began working at Cowen Investment Management in October 2005 as its senior transactional attorney and was appointed General Counsel in February 2009. Prior to joining Cowen Investment Management, Mr. Littman was an associate in the Business and Finance Department of Morgan, Lewis & Bockius LLP.

## CODE OF BUSINESS CONDUCT AND ETHICS

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We have posted a current copy of the code on our website, [www.cowen.com](http://www.cowen.com). In addition, we intend to post on our website all disclosures that are required by law or NASDAQ Stock Market listing standards concerning any amendments to, or waivers from, any provision of the code. You may also request a copy of the code by writing to Cowen Inc., Attn: Secretary, 599 Lexington Avenue, New York, NY 10022.

### AUDIT COMMITTEE

Our Board has established a separately-designated standing Audit Committee which operates under a charter that has been approved by our Board.

Our Board has determined that all of the members of the Audit Committee are independent as defined under the rules of the Nasdaq Stock Market, and the independence requirements contemplated by Rule 10A-3 under the Exchange Act.

The current members of our Audit Committee are Ms. Dietze (Chairperson), Mr. Gonsalves, Mr. Kotler and Ms. Poster. The Board has determined that Ms. Poster is an “audit committee financial expert” as defined by applicable SEC rules.

### Item 11: Executive Compensation

#### COMPENSATION DISCUSSION AND ANALYSIS

In addition to performing the roles and responsibilities described under “Committees of the Board — Compensation Committee” above, our Compensation Committee, which is composed entirely of independent directors, determined the 2021 compensation of our named executive officers:

- Jeffrey M. Solomon, Chief Executive Officer;
- Stephen A. Lasota, Chief Financial Officer;
- John Holmes, Chief Operating Officer; and
- Owen S. Littman, General Counsel and Secretary.

The above named executive officers represented all of our executive officers as of December 31, 2021.

To assist stockholders in finding important information within this Compensation Discussion and Analysis, we call your attention to the following sections:

<a href="#">Advisory Vote on Executive Compensation and Stockholder Engagement</a>	<a href="#">7</a>
<a href="#">2021 Performance Overview</a>	<a href="#">8</a>
<a href="#">Key Features of Our Compensation Program</a>	<a href="#">9</a>
<a href="#">Compensation Philosophy and Objectives</a>	<a href="#">9</a>
<a href="#">Compensation Determinations for 2021</a>	<a href="#">12</a>
<a href="#">Compensation Program and Payments</a>	<a href="#">15</a>
<a href="#">Setting Compensation</a>	<a href="#">19</a>
<a href="#">Relationship of Compensation Policies and Practices to Risk Management</a>	<a href="#">20</a>
<a href="#">Clawback Policy</a>	<a href="#">20</a>
<a href="#">Executive Officer Stock Ownership Guidelines</a>	<a href="#">21</a>
<a href="#">Anti-Hedging Policy</a>	<a href="#">21</a>
<a href="#">Tax and Accounting Impact and Policy</a>	<a href="#">21</a>

## ADVISORY VOTE ON EXECUTIVE COMPENSATION AND STOCKHOLDER ENGAGEMENT

### 2021 Stockholder Outreach

The Company received stockholder approval for both the Advisory Say on Pay vote and the increase in the shares available for issuance under the Amended 2020 Equity Plan vote in 2021. Voting results improved slightly from 2020, with shareholder support at 62.5% for the Advisory Say on Pay and 62.3% for the Amended 2020 Equity Plan, respectively. In light of these results, we undertook a robust outreach campaign to solicit stockholder feedback on our compensation policies and our equity plans beginning in the fall of 2021. We contacted our top 25 stockholders, who hold an estimated 70% of our outstanding Class A common stock, which represents in excess of 80% of our outside stockholder base.

We received requests for engagement from 6 of the 25 stockholders, representing approximately 20% of our outside stockholder base.

Our outreach team, comprised of our Lead Independent Director, who is also the Chair of our Compensation Committee, our Chief Financial Officer, our General Counsel, and our Head of Investor Relations, held virtual meetings with all of the stockholders who requested engagement.

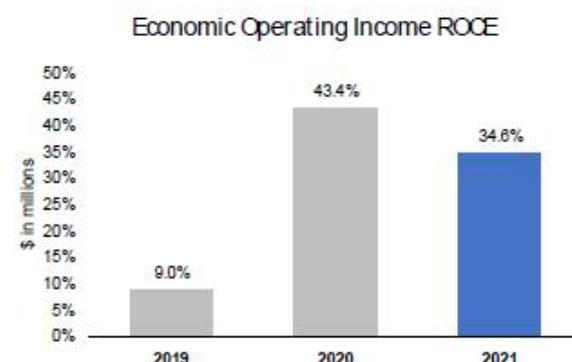
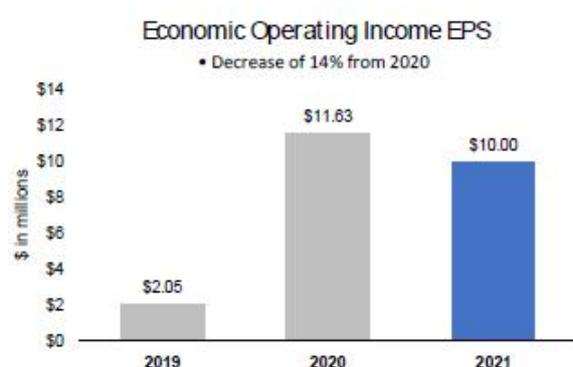
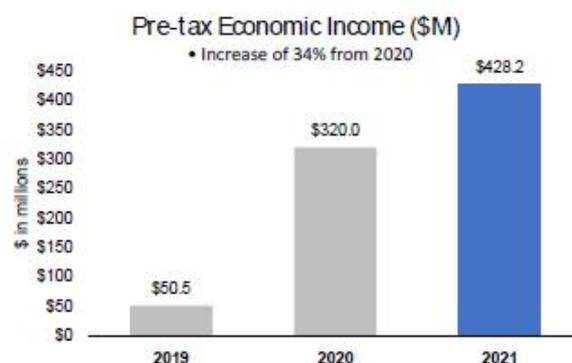
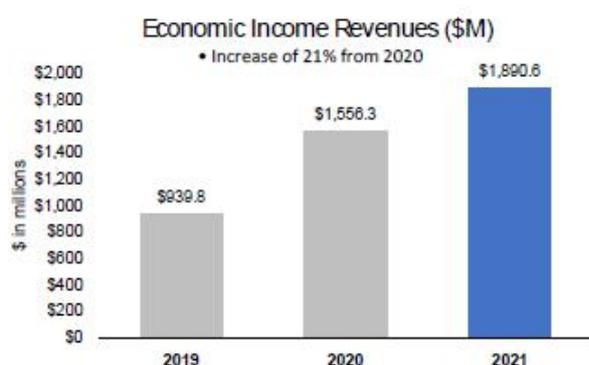
### Compensation Practice Changes in Response to Stockholder Feedback

Following our stockholder outreach initiative, the outreach team discussed the feedback received from our stockholders with the Compensation Committee. Additionally, the Compensation Committee obtained feedback, advice and recommendations on improvements to our compensation program from its independent compensation consultant, Pay Governance LLC. The Compensation Committee also reviewed the Company's performance, the compensation practices of its peers and other materials regarding executive compensation. The Compensation Committee has introduced the following changes to our executive compensation program, partly in response to feedback received from our stockholders:

<b>What We Heard from Stockholders</b>	<b>Action Taken by Company Management and the Compensation Committee</b>
Stockholders recommended that the Company provide additional disclosure regarding the pay determination process.	We have continued to enhance the description in the "Compensation and Philosophy and Objectives" section below to provide a more robust and detailed discussion related to the Compensation Committee's determinations related to firmwide compensation as well as the compensation of our named executive officers.
Stockholders recommended that the Company use after-tax Return on Common Equity, or ROCE, as an appropriate criterion for performance-based compensation as well as some form of total shareholder return, or TSR, as an additional measure used in the determination of performance-based equity compensation.	The Company added a TSR modifier as a component of Performance Shares awarded in respect of 2020 and in respect of 2021 increased the effect the TSR modifier can have on the Performance Shares. In addition, the Company changed to after-tax ROCE for Performance Shares awarded in connection with 2021 compensation.
Stockholders recommended that the Company consider strengthening the performance goals underlying the Performance Shares given the strong operating performance of the Company in 2020 and 2021.	In addition to changing to after-tax ROCE, the Company increased the performance goals underlying the Performance Shares which will require continued strong operating performance by the Company to achieve the target value contemplated by the Performance Shares.

## 2021 PERFORMANCE OVERVIEW

The following 2021 financial performance highlights were considered by our Compensation Committee when determining named executive officer compensation for 2021. Economic Income is shown on a pre-tax basis in order to illustrate the factors considered by the Compensation Committee in its 2021 compensation determinations.



- Record 2021 investment banking Economic Proceeds of \$1,025.7 million were up 41% due to higher capital markets advisory and M&A revenues.
- 2021 brokerage Economic Proceeds increased 12%, due to an increase in cash trading, non-U.S. execution, securities finance, prime services and cross-asset trading.
- 2021 management fees of \$80.5 million increased 36%, driven primarily by higher assets under management in the sustainability, activist and healthcare strategies.
- Incentive income declined 61% to \$33.4 million in 2021. This decrease was primarily related to a decrease in performance fees in our healthcare investments strategy.
- 2021 compensation and benefits costs were \$1,050.6 million compared to \$864.5 million in 2020. The increase was due to higher 2021 revenues. The economic compensation-to-proceeds ratio was 55.6%, which is unchanged from the prior year period.
- The Company's headcount increased from 1,364 in 2020 to 1,534 in 2021.
- As of December 31, 2021, the Company had assets under management of \$15.8 billion, an increase of \$3.3 billion from December 31, 2020.
- As of December 31, 2021, the Company had book value of \$36.57 per common share, up from book value of \$32.34 per common share as of December 31, 2020.
- During 2021, the Company repurchased 4,371,291 shares of its Class A common stock for \$159.8 million, or an average price of \$36.56 per share under the Company's existing share repurchase program. In addition, the Company acquired approximately \$40.4 million of shares of its Class A common stock as a result of net share settlements relating to the vesting of equity awards or 1,055,620 shares at an average price of \$38.26 per share.
- The Company established a quarterly dividend payment on its Class A common stock in February of 2020 with a dividend payment of \$0.04 per share. The Company increased the quarterly dividend payment to \$0.08 per share in October 2020 and to \$0.12 per share in February 2022.

Please refer to the Company's Segment Reporting Note in its financial statements included on pages F-69 to F-70 of its Form 10-K for the year ended December 31, 2021, as filed with the SEC, for reconciliations of the non-GAAP financial measures above to their most directly comparable GAAP measures.

## **KEY FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAM**

### ***What We Do***

- We pay for performance through a careful quarterly and year-end review of the Company's financial results, stockholder return and individual performance.
- We consider peer groups in establishing compensation.
- The Compensation Committee considers firm-wide initiatives related to the Company's culture, including those related to diversity and inclusion, in its compensation determinations.
- We granted performance share awards, or PSAs, to named executive officers in March 2022. The PSAs are earned based on forward-looking performance metrics that consider long-term performance from 2022 through 2024. The PSAs we awarded include after-tax ROCE as a performance measurement in response to shareholder feedback. We had previously calculated ROCE on a pre-tax basis. We also increased the performance goals underlying the PSAs which will require continued strong operating performance by the Company to achieve the target value contemplated by the PSAs. Additionally, we introduced a TSR modifier to the PSAs awarded in February 2021 in response to the stockholder feedback received in 2020 and increased the effect of the TSR modifier in the PSAs awarded in 2022.
- We have stock ownership guidelines for our directors and executive officers.
- We have double-trigger equity vesting in the event of a change in control.
- We require our named executive officers to comply with reasonable restrictive covenants.
- We subject our deferred bonus awards to named executive officers to a clawback policy.
- We seek to maintain a conservative compensation risk profile.
- The Compensation Committee retains an independent compensation consultant.
- We have an anti-hedging policy, and, during 2021, all executive officers were in compliance with this policy.

### ***What We Don't Do***

- We do not pay dividend equivalents on unvested RSUs or PSAs.
- We do not pay tax gross-ups on our limited perquisites.
- We do not provide "single-trigger" equity vesting in the event of a change in control.
- We do not provide golden parachute excise tax gross-ups.
- We do not provide minimum guaranteed bonuses to our named executive officers.

## **COMPENSATION PHILOSOPHY AND OBJECTIVES**

We are focused on building long-term value for the Company. Our named executive officers, who collectively own approximately 4.6% of our outstanding shares of Class A common stock, are financially, strategically and philosophically aligned with our stockholders. Our intention is to base the compensation of our named executive officers on the performance of the Company, with total compensation of our named executive officers increasing or decreasing along with the performance of the Company.

To this end, when Mr. Solomon became our Chief Executive Officer at the beginning of 2018, he emphasized the objective of the Company generating a mid-teens pre-tax Return on Common Equity, or ROCE, by the end of 2020. The Company not only achieved, but far exceeded this goal for the year ended December 31, 2020. Mr. Solomon has since stated that the objective of the Company is to generate a mid-teens *after-tax* ROCE on a consistent basis. Our plan is to compensate our named executive officers in a manner that will incent them to meet or exceed after-tax ROCE in the mid-teens on a consistent basis, which we believe will create long-term value for our stockholders.

Accordingly, as we think about compensation for our named executive officers, our approach aims to treat our named executive officers fairly when taking into account the Company's performance while also ensuring their retention given other opportunities that might be available to them.

The chart below illustrates the factors considered by the Compensation Committee in its compensation determinations



Specifically, our compensation programs, including compensation of our named executive officers, are designed to achieve the following objectives:

- **Pay for Performance.** A significant portion of the total compensation paid to each named executive officer is variable and is directly tied to the Company's Economic Operating Income. The amount of compensation available to be paid to our named executive officers is determined based on: (i) the management committee compensation pool based on the Company's performance as described in more detail below; (ii) the performance of the Company on an absolute basis and through a comparison of our results to competitor firms; (iii) an evaluation of each named executive officer's contribution to the Company, including contributions related to the revenue and profitability of the Company as well as leadership in alignment with our core values of Vision, Empathy, Sustainability and Tenacious Teamwork; and (iv) specific performance against individual qualitative goals.
- **Align Named Executive Officers' Interests with Stockholders' Interests.** Our Compensation Committee reviews each named executive officer's performance as well as the Company's financial results in the context of the market environment when determining year-end, performance-related compensation allotted from the management committee compensation pool. In addition, our Compensation Committee evaluated the Company's performance compared to the performance of its peers and also considered an analysis of competitive compensation levels of named executive officers at the Company's peer firms that was conducted by Pay Governance LLC, the independent compensation consultant to the Compensation Committee. Our Compensation Committee believes year-end, performance-related compensation should be delivered in a combination of short-term and long-term instruments. We believe that deferred cash, equity and equity-related instruments align the interests of our named executive officers with those of our stockholders, help retain key talent, and ensure that our named executive officers are focused on the long-term performance of the Company. In connection with fiscal 2021 bonus payments, each of our named executive officers received a portion of their bonus in cash, deferred cash, RSUs and PSAs. In addition, in March 2022, our named executive officers received profit sharing awards related to the Cowen Digital business as described below (the "CDIG Awards"). Awards granted in connection with the CDIG Awards are subject to a vesting period and will not be realized until certain performance levels are attained in the Cowen Digital business. The Compensation Committee believes that the payment of a significant portion of an employee's compensation in the form of performance-based awards properly aligns the employee's interests with those of the Company's stockholders and effectively mitigates any risks associated with the Company's compensation practices.
- **Recruiting and Retention.** We operate in an intensely competitive industry, and we believe that our success is closely related to our recruiting and retention of highly talented employees and a strong management team. We try to keep our compensation program generally competitive with industry practices so that we can continue to recruit and retain talented executive officers and employees.

## 2021 COMPENSATION DETERMINATIONS

As noted above, compensation for our named executive officers comes from our management committee compensation pool. The following is a summary of the process for determining the 2021 management committee compensation pool:

### *Actions Taken at the Beginning of 2021*

- In consultation with the Compensation Committee, at the beginning of 2021, the Company established a targeted Economic Income compensation-to-revenue ratio for the year of between 56% and 57%.
- The Company has set a goal of achieving mid-teens after-tax ROCE on a consistent basis and this objective was reviewed with the Compensation Committee at the beginning of 2021. ROCE is calculated by taking the sum of the Company's Adjusted Economic Operating Income divided by the average Common Equity of the Company during the fiscal year (with the average Common Equity for the fiscal year calculated by adding the Common Equity at the beginning of the fiscal year and the Common Equity at the end of the fiscal year and dividing by two).
- Also at the beginning of the year, we established compensation guidelines, which established the percentage of revenue that the Company plans to allocate to compensation, for revenues generated by each of the Company's businesses. Each of the Company's revenue generating businesses has a different compensation guideline. For example, the percentage of revenue we pay as compensation for capital markets-related revenue is different from the percentage of revenue we pay as compensation for mergers and acquisitions advisory-related revenue and is also different from the percentage of revenue we pay as compensation for markets-related revenue. Because we do not know at the beginning of the year the mix of revenue we will have across product lines, we are unable to predict the actual amount of compensation that we are likely to pay at the end of the year with respect to each of our revenue generating businesses.
- With respect to areas of the firm that do not generate revenue, such as research and business operations, the Company set a targeted budget for compensation in these areas based on expected revenues for the year.
- The Management Committee Pool, which includes the Company's named executive officers, is determined after the revenue-generating compensation pools are finalized, as described in more detail below.

### *Actions Taken During the Course of 2021*

- During the year, the Compensation Committee met on a quarterly basis to review, among other things, the Company's performance relative to the targeted Economic Income compensation-to-revenue ratio for the year.
- During the year, management provides the Compensation Committee with information about the relative amounts of revenue being generated by our different business lines as that affects the amount of compensation the Company accrues for compensation under the pre-established guidelines described above. The Compensation Committee then compares the amounts being accrued with respect to the revenue generating businesses to the amounts accrued based on the Company's overall compensation to revenue ratio.
- Quarterly meetings with the Compensation Committee also provided an opportunity to discuss any changing dynamics in the markets that may affect positively or negatively the Company's expected revenues and related compensation accruals.

### *Actions Taken at the End of 2021 to Determine Compensation*

- At the end of 2021, compensation pools for investment banking, markets and investment management were finalized based on the revenue guidelines established at the beginning of the year, with some modifications made based on the Company's overall strong performance for the year in each of these areas. The total amount of compensation accrued with respect to the Company's revenue generating business lines was based on the mix of revenue generated by each of its different business lines.

- The compensation pool for research was finalized by making adjustments to the budget established at the beginning of the year to account for higher revenues than were expected at the beginning of the year. The compensation pool for business operations was also increased from its budgeted amount to account for the Company's overall strong performance.
- The combination of the compensation guidelines established at the beginning of the year for our revenue generating businesses, the budgets established at the beginning of the year for our non-revenue generating employees and the overall compensation to revenue ratio target established at the beginning of the year meant that there was a relatively limited amount of potential compensation that could be allocated to the management committee pool, which includes the CEO and the other executive officers of the Company, in order to stay within the Company wide targeted compensation to revenue ratio of 56%-57%.
- Once the compensation pools were finalized, the Compensation Committee considered the amount of compensation to be included in the pool for the members of the Company's management committee, which includes the Company's named executive officers. This pool was determined with reference to (i) the Economic Income compensation-to-revenue ratio and (ii) the overall Economic Operating Income to Stockholders.
  - The Compensation Committee approved an Economic Income compensation-to-revenue ratio for 2021 of 55.6%, which was below the range established by the Compensation Committee at the beginning of 2021.
  - Management and the Compensation Committee believe that the compensation pool for members of the Company's management committee, which includes the Company's named executive officers, should be directly tied to the Company's operating performance. Accordingly, the Compensation Committee has determined guidelines that the management committee's participation in the Company's Economic Operating Income should be a percentage of the total amount of Economic Operating Income, with the management committee's incremental participation decreasing as Economic Operating Income increases. There is a limit on how much compensation can be paid to the management committee, which includes the CEO and other named executive officers, given the compensation allocated to the Company's revenue generating businesses under the pre-established guidelines, the compensation allocated to research and business operations based on the budget established at the beginning of the year and the fact that the amount of compensation allocated to the management committee pool decreases as revenue increases.
- The Company's pre-tax ROCE for the 2021 fiscal year was approximately 34.6%, well in excess of the mid-teens ROCE that the Company targeted at the beginning of the year.
- As discussed further below, final compensation decisions for the Company's named executive officers are made at the discretion of the Compensation Committee out of the available management committee compensation pool. We believe this approach to compensation is consistent with common market practice in the financial services sector, but as noted above, the pool from which compensation is determined is tied directly to the Company's operating performance for the year. Further, although the size of incentive compensation awards is based on current fiscal year results, a portion of it is delivered in the form of equity awards that vest over time to encourage retention and further link executive pay with longer-term stock performance. In addition, a portion of incentive compensation is also delivered in the form of performance-based awards whose future value is uncertain, ultimately depending on the performance of the Company, and, in the case of the CDIG Awards, on the performance of the Cowen Digital business, over the relevant measurement period.

After the Compensation Committee determined the management compensation pool for 2021 as described above, the Compensation Committee then considered:

- the named executive officers' collective and individual contributions to the Company's strategic initiatives and leadership in 2021;
- historical compensation information for each named executive officer;
- the Company's desire to retain and incentivize its named executive officers;
- the recommendations of Mr. Solomon, our Chief Executive Officer, regarding total compensation of our named executive officers (other than himself);
- the financial performance of the Company during 2021 compared to comparable public companies and other companies in the securities industry;
- a review of public filings and other market data regarding total compensation paid by certain peer investment banks and asset management companies; and

- base salary, cash bonus, equity awards and all other compensation paid by the compensation peer group.

**The Compensation Committee considered the following collective and individual factors in the determinations made for each named executive officer in 2021:**

**Benefits of the Long-term Partnership Among the Named Executive Officers.** One of the key factors to the Company's resilience during the Covid-19 pandemic and the positioning of the Company for success over the long term has been the more than 15-year partnership among the Company's named executive officers. Messrs. Solomon, Holmes, Lasota and Littman have been instrumental in the transformation of the Company's business. They have worked collaboratively on the recruitment and retention of key employees and managers across the platform and oversaw the acquisition and integration of 13 businesses. In 2021, the Company demonstrated its core earnings power and the growing breadth and depth of its capabilities across the platform. This performance is the result of years of strategic investments and careful planning, which has enabled the Company to deliver consistent profitability at a much higher level.

The Compensation Committee recognizes the importance of having and retaining an experienced management team like the one the Company has and, in 2021, this took on even more significance with the ongoing challenges presented by the Covid-19 pandemic.

- **Revenue Generation and Drivers of Profitability.** As noted below, each of our named executive officers plays an important role in revenue generation and driving profitability. While this may not always be the case with a company's named executive officers, it is the case with ours. Our named executive officers are not compensated directly based on the revenue they generate or, with respect to Messrs. Holmes, Lasota and Littman, the profitability directly attributable to their teams in business operations, but the Compensation Committee does take this into account when determining compensation for the named executive officers. The Compensation Committee also considered the following individual factors in the determinations made for each named executive officer in 2021:
  - **Jeffrey Solomon.** Mr. Solomon's compensation reflected his significant contributions regarding the Company's record revenue and profitability. Mr. Solomon also played an important role in the acquisition of Portico Capital Advisors ("Portico"), further increasing M&A revenues and increasing capabilities in sectors with an attractive long-term outlook (verticalized software, data and analytics) and complementary to the Company's technology-enabled services franchise. Mr. Solomon's compensation also reflected his efforts to recruit and retain talent as well as the further enhancements to the Company's culture and diversity and inclusion initiatives. Mr. Solomon helped to bring numerous clients into the Company by providing investment banking advice. Mr. Solomon also worked closely with clients in the Company's markets division, research division and investment management division. Mr. Solomon also played a key role in the development of Cowen Digital, the business created to offer the Company's institutional clients execution services relating to the trading of digital assets. Mr. Solomon also spent a significant amount of time discussing capital formation and other regulatory matters of interest to the Company through his regular interactions with both the SEC and lawmakers.
  - **John Holmes.** Mr. Holmes's compensation reflected his role in the continued enhancement and development of trading capabilities by growing existing infrastructure and implementing new products, including those related to Cowen Digital. Under Mr. Holmes's leadership, the Company recognized cost savings and process efficiencies by leveraging new and existing technologies. The Compensation Committee also recognized Mr. Holmes's significant contributions related to the Company's strategic response to Covid-19 and return to office, creating an approach that provides flexibility as the Company moves towards a hybrid work environment and prioritizes the health and safety of its employees.
  - **Stephen Lasota.** Mr. Lasota's compensation reflected significant contributions related to the continued enhancement of the Company's financial reporting, despite the challenges of employees working remotely due to the Covid-19 pandemic. Mr. Lasota played a leading role in changing the Company's capital structure and accounting policy to simultaneously optimize for profitability and liquidity. Mr. Lasota also played a significant role in the Company's revenue-generating captive reinsurance business.
  - **Owen Littman.** Mr. Littman's compensation reflected significant contributions related to his efforts to develop, implement and improve comprehensive legal and compliance programs, including with respect to Cowen Digital so that the Company can provide execution services with respect to digital assets. Mr. Littman played a significant role in the merger and integration of Cowen Prime Services and Cowen and Company which resulted in a significant increase in the Company's net capital. Mr. Littman also played a significant role in the Company's revenue-generating captive reinsurance business. Mr. Littman played a leading role in the Portico acquisition. Mr. Littman also oversaw the Legal and Compliance strategic hiring process to support the Company's growing business lines in the international markets. Mr. Littman also spent a significant amount of time discussing capital formation and other regulatory matters of interest to the Company through his regular interactions with both the SEC and lawmakers.

At meetings held on December 14, 2021, December 22, 2021, January 6, 2022, January 13, 2022 and February 25, 2022 and numerous executive sessions following these meetings, the Compensation Committee considered and discussed management's compensation recommendations for our named executive officers other than the Chief Executive Officer.

Upon consideration of these factors the Compensation Committee approved the Chief Executive Officer's recommendations for the named executive officers and determined the total pay for our Chief Executive Officer, Mr. Solomon.

## **COMPENSATION PROGRAM AND PAYMENTS**

### ***Base Salary***

The purpose of base salary is to provide a set amount of cash compensation for each named executive officer that is not variable in nature and is generally competitive with market practices. We seek to limit the base salaries of our named executive officers such that a significant amount of their total compensation is contingent upon the performance of the Company and the named executive officer during the fiscal year. This was consistent with standard practice within the securities and asset management industries and we believe this allowed us to reward performance.

In 2021 Mr. Solomon received a base salary of \$1,000,000 and each of Messrs. Lasota, Holmes and Littman received a base salary of \$700,000. In April 2022, the Compensation Committee approved an increase in base salaries for Messrs. Lasota, Holmes and Littman to \$725,000 each.

### ***Annual Cash Bonus***

The Compensation Committee approved annual cash bonus amounts for each of our named executive officers after review and consideration of the above factors and within the scope and confines of the established management committee compensation pool.

Annual cash bonuses are determined based on an informed judgment with final amounts determined at the discretion of the Committee within the confines of the established management committee compensation pool. This is consistent with our view that a significant portion of compensation paid is to be based on the performance of the Company and of each named executive officer.

In 2021, Mr. Solomon received a cash bonus of \$16,000,000, Mr. Lasota received a cash bonus of \$4,613,000, Mr. Holmes received a cash bonus of \$5,056,000 and Mr. Littman received a cash bonus of \$4,613,000.

### ***Deferred Compensation***

The annual bonus is typically paid partially in cash, partially in deferred cash and partially in equity. The deferred cash and equity components of the annual bonus are paid in lieu of, not in addition to, a cash payment and are subject to service-based vesting conditions. The Compensation Committee believes that the practice of paying a portion of each named executive officer's annual bonus in the form of deferred cash and equity awards is consistent with compensation practices at our peer companies and is a useful tool to continue aligning the long-term interests of our named executive officers with the interests of our stockholders.

After determining the aggregate cash values of annual bonuses payable to each of our named executive officers in respect of fiscal 2021, the Compensation Committee considered the percentage of the annual bonus compensation that each of our named executive officers would receive in the form of deferred awards. Jeffrey Solomon, our Chief Executive Officer, developed a proposal for the allocation of annual bonus compensation among the cash and deferred compensation awarded to Messrs. Holmes, Lasota and Littman. The Compensation Committee discussed and ultimately approved the proposal and established an allocation of annual bonus compensation awarded to Mr. Solomon.

### ***Deferred Cash Awards***

Deferred cash awards relating to fiscal 2021 annual bonuses were awarded to our named executive officers in February 2021. Mr. Solomon received a deferred cash award of \$4,000,000, Mr. Lasota received a deferred cash award of \$343,500, Mr. Holmes received a deferred cash award of \$372,125 and Mr. Littman received a deferred cash award of \$343,500. The deferred cash awards will vest with respect to 12.5% on August 15, 2022, 12.5% on May 15, 2023, 25% on May 15, 2024, 25% on May 15, 2025 and 25% on May 15, 2026.

### ***Restricted Stock Units (“RSUs”)***

RSUs relating to fiscal 2021 annual bonuses were awarded to our named executive officers in February 2022. RSUs will vest with respect to 12.5% on September 1, 2022; 12.5% on June 1, 2023; 25% on June 1, 2024; 25% on June 1, 2025; and 25% on June 1, 2026. To eliminate the impact that a short-term significant price change in the market value of our Class A common stock may have on the number of RSUs that are intended to be delivered to an employee, the Compensation Committee approved valuing the RSU grants using the volume-weighted average price for the 30 trading days ended January 14, 2022, which was the day prior to the date that compensation was first communicated to the Company’s employees. The grant date value of the RSUs equaled \$35.60 per share. In 2022, Mr. Solomon received an award of 112,360 RSUs, Mr. Lasota received an award of 9,649 RSUs, Mr. Holmes received an award of 10,453 RSUs and Mr. Littman received an award of 9,649 RSUs.

### ***Performance-Based Compensation***

This year, performance-based compensation, which was a key component of overall compensation awarded for 2021, consisted of two components, Performance Share Awards as well as profits interests awards relating to Cowen Digital Holdings LLC.

#### ***Performance Share Awards (“PSAs”)***

In March 2022, the Company entered into a performance shares award agreement, or PSA Agreement, with each of our named executive officers. Under the terms of the PSA Agreement, each named executive officer was awarded PSAs, based on the attainment of certain performance metrics. Mr. Solomon received 99,986 PSAs, Mr. Lasota received 19,095 PSAs, Mr. Holmes received 21,201 PSAs and Mr. Littman received 19,095 PSAs. The Compensation Committee approved the allocation of PSAs awarded using the same value as the RSUs, or \$35.60 per share. The PSAs awarded are subject to a three-year performance period and are scheduled to vest on December 31, 2024. At the end of the performance period, the PSAs will be multiplied by an applicable percentage (set forth below) based on the Company’s after-tax AROCE. The Company changed to the after-tax AROCE performance metric in 2022 in response to shareholder feedback. If the Company’s performance is below the specified threshold, no shares will be delivered to the named executive officers. The resulting number of attained RSUs will then be subject to a multiplier based on the Company’s total shareholder return, or TSR, relative to other companies in the S&P SmallCap 600 Financial Sector Index, or the Index. For the PSAs awarded in 2022, the TSR modifier was increased to 20% from the 10% modifier used for PSAs awarded in 2021.

After-tax AROCE will be calculated by (i) taking the sum of the Company’s Adjusted Economic Operating Income during each of the fiscal years during the Performance Period divided by the average Common Equity of the Company during each such fiscal year (with the average Common Equity for each fiscal year calculated by adding the Common Equity at the beginning of such fiscal year and the Common Equity at the end of such fiscal year and dividing by two) and (ii) dividing such sum by three.

At the end of the performance period, the PSAs will be multiplied by the percentages set forth below based on the Company's after-tax AROCE with respect to such performance period:

**After-tax AROCE Performance Scale**

<b>Performance Level*</b>	<b>3-Year After-Tax AROCE**</b>	<b>Payout Rate***</b>
<b>Below Threshold</b>	Below 8%	0% Payout
<b>Threshold</b>	8%	50% Payout
<b>Above Threshold / Below Target</b>	10%	75% Payout
<b>Target</b>	12.5%	100% Payout
<b>Above Target</b>	15%	125% Payout
<b>Above Target / Below Maximum</b>	17.5%	150% Payout
<b>Maximum (capped)</b>	Greater than 20%	200% Payout

\* Payout for performance between the Threshold and the Maximum will be interpolated.

\*\* While the Company's ROCE in 2021 was substantially above the Target rate, the Compensation Committee sets the AROCE Performance Scale based on the objective of achieving consistent after-tax mid-teen ROCE returns over the three year performance period covered by the PSAs. Accordingly, there may be outliers in performance, both positive and negative, during the three year performance period, but the PSAs are structured to reward the Company's executive officers for meeting the after-tax mid-teen ROCE return over the long-term, which we believe leads to long-term shareholder value creation.

\*\*\* Payout in excess of 120% of target for the 2021 PSAs will be settled in cash.

In addition to ROCE being measured on an after-tax basis in the PSAs awarded in 2022 compared to being measured on a pre-tax basis for PSAs awarded in 2021, the Company also increased the performance metrics themselves as described below:

## Changes to AROCE Performance Scale in 2022 vs. 2021

Performance Level	Pre-Tax 2021 3-Year AROCE	After-Tax 2022 3-Year AROCE	Payout Rate
<b>Below Threshold</b>	Below 8%	Below 8%	0% Payout
<b>Threshold</b>	8%	8%	50% Payout
<b>Above Threshold / Below Target (Level Introduced in 2021)</b>	--	<b>10%</b>	75% Payout
<b>Target</b>	10%	<b>12.5%</b>	100% Payout
<b>Above Target</b>	12%	<b>15%</b>	125% Payout
<b>Above Target / Below Maximum (Level Introduced in 2021)</b>	--	<b>17.5%</b>	150% Payout
<b>Maximum (capped)</b>	Greater than 15%	<b>Greater than 20%</b>	200% Payout

The number of PSAs that become vested and settled at the end of the performance period will equal the product of the preliminary PSAs and the applicable total shareholder return (TSR) modifier, as set forth below, determined based on the Company's TSR during the performance period versus the TSR of the companies comprising the Index (adjusted as set forth in the award agreement), as of the first day of each performance period for the same period.

### 3-Year TSR Modifier

Relative TSR Position	Modifier*
<b>25th percentile and below</b>	0.8
<b>50th percentile</b>	1.0
<b>75th percentile and above</b>	1.2

\* The relative TSR and resulting modifier will be interpolated between the 25th percentile and below and the 75th percentile. The relative TSR position will be calculated using the following formula where N is the total number of companies in the Index including the Company and R is the Company's ranking compared to the Index:  $N-R/N-1$ .

### CDIG Profits Interest Awards

In March 2022, a new plan called the Cowen Digital Holdings 2022 Equity Unit Incentive Plan (the "Cowen Digital Plan") was established to incentivize management and other personnel who make a substantial contribution to the success of Cowen Digital, the Company's digital assets business, and to tie a portion of their compensation to the success of the digital assets business. The Cowen Digital Plan allows issuance of up to 2,000,000 non-voting units in Cowen Digital ("Class B units"). The remaining capital of Cowen Digital consists of 8,000,000 voting units in Cowen Digital ("Class A units"), which are currently all owned by the Company.

As of March 1, 2022, an aggregate of 1,487,500 Class B units have been issued to employees of the Company who are working on the Cowen Digital business, including a portion to each of the named executive officers. The Class B units are treated for tax purposes as profits interests. Each award of Class B units is subject to time-based and performance-based vesting conditions. For awards granted in March 2022, 50% of each award (the time-based portion) vests gradually over five years (subject to acceleration upon a sale or IPO of Cowen Digital) and the remaining 50% (the performance-based portion) will vest only if the recipient continues employment until a sale or IPO of Cowen Digital. Even if vested, Class B units will not be entitled to distributions unless and until a profit distribution hurdle has been met. For awards granted in March 2022, the hurdle is \$100 million, which means that the Company must receive distributions from Cowen Digital of at least \$100 million before the Class B units share in any distributions. After the hurdle is reached, Class B units share in distributions on a pro-rata basis with other units (Class A and Class B).

Mr. Solomon received 200,000 Class B units and Messrs. Lasota, Holmes and Littman each received 100,000 Class B units as a component of their 2021 long-term performance-based compensation. The fair value of time-based Class B units is determined based on the fair market value of Cowen Digital and consolidated subsidiaries. The fair market value of Cowen Digital and consolidated subsidiaries is calculated utilizing recent transactions, discounted cash flows, and market multiples. The Class B units are then valued using a standard Black Scholes options pricing model. The primary input in determining the fair market value as of March 1, 2022 was recent/pending transactions in Cowen Digital's underlying investments. Mr. Solomon's Class B units were given a fair value of \$440,000 and the Class B units awarded to each of Messrs. Lasota, Holmes and Littman were given a fair value of \$220,000. Due to the uncertainty related to payouts under the Cowen Digital Plan, the Company will not recognize expense related to the performance-based portion of the Class B unit awards until there is a probability of payout. The time-based portion of the Class B unit awards are expensed over the five-year period of service required to vest.

## **FREQUENCY OF SAY-ON-PAY VOTE**

Consistent with the preference expressed by our stockholders at our 2017 Annual Meeting of Stockholders, the Board decided that the Company will include an advisory vote to approve the compensation of our named executive officers in our proxy materials every year until the next required advisory vote to approve the frequency of an advisory vote on executive compensation, which will occur no later than our 2023 annual meeting.

### ***Setting Compensation***

The Compensation Committee is responsible for approving the compensation paid to our named executive officers as well as certain other highly compensated employees. In making compensation determinations, the Compensation Committee reviews information presented to them by the Company's management, compensation peer group information and the recommendations of an independent compensation consultant engaged by the Compensation Committee. The Compensation Committee also reviews our compensation-to-revenue ratio on a quarterly basis and may adjust the targeted compensation-to-revenue ratio in order to maintain the Company's compensation philosophy of aligning the interests of our named executive officers and our stockholders.

### ***Involvement of Executive Officers***

Mr. Solomon, our Chief Executive Officer, in consultation with our Chief Financial Officer, our General Counsel, our Chief Operating Officer and employees in our Human Resources department, assists the Compensation Committee in making compensation determinations. These individuals prepare information that is provided to, and reviewed by, the Compensation Committee and the Chief Executive Officer makes recommendations to the Compensation Committee for their consideration. Such information and recommendations include, among other things, recommendations for the percentage of the Company's Economic Operating Income that should be allocated to the management committee compensation pool, the compensation that should be received by the named executive officers (other than himself) and certain other highly compensated employees; financial information regarding the Company that should be reviewed in connection with compensation decisions; the firms to be included in a compensation peer group; and the evaluation and compensation process to be followed by the Compensation Committee. Our Chief Executive Officer is often invited to participate in Compensation Committee meetings; however, he recuses himself from all discussions regarding his own compensation.

### ***Compensation Consultants***

The Compensation Committee exercised its sole authority pursuant to its charter to directly engage Pay Governance LLC. Pay Governance LLC was retained by the Compensation Committee to provide advice, analysis, and assessment of alternatives related to the amount and form of executive compensation. Pay Governance LLC prepared certain Compensation Committee presentation materials (including the peer group data described below) during December 2021 and early 2022 at the request of the Compensation Committee. The Compensation Committee meets with Pay Governance LLC from time to time without management present.

The Compensation Committee engaged Johnson Associates in December 2021 to provide advice and analysis related to the Cowen Digital Plan and the profit interests awarded to certain employees, including our named executive officers.

The Compensation Committee has assessed the independence of Pay Governance LLC and Johnson Associates pursuant to SEC and NASDAQ rules and concluded that no conflict of interest exists that would prevent Pay Governance LLC from independently representing the Compensation Committee. The Compensation Committee reviewed and was satisfied with Pay Governance LLC's policies and procedures to prevent or mitigate conflicts of interest and that there were no business or personal relationships between members of the Compensation Committee and the individuals at Pay Governance LLC supporting the Compensation Committee.

### ***Compensation Peer Group***

The Compensation Committee, with the assistance of its independent compensation consultant, annually identifies a compensation peer group of firms with which we compete for executive talent. Our peer group includes investment banks with revenues and market capitalizations similar to ours as well as companies with significant asset management operations. In making compensation decisions for 2021, our Compensation Committee reviewed compensation information for similarly titled individuals at comparable companies gathered from public filings made in 2021 related to 2020 annual compensation and from subscriptions for other market data. At the request of the Compensation Committee, Pay Governance LLC provides the Compensation Committee with compensation data from other firms of similar size. For 2021, Pay Governance provided the Compensation Committee with peer group compensation data of B. Riley Financial, Evercore Partners Inc., Greenhill & Co., Inc., Houlihan Lokey, Inc., Jefferies Group, Lazard Ltd., Moelis & Company, Oppenheimer & Co. Inc., Perella Weinberg Partners, PJT Partners Inc., Piper Sandler Companies, Raymond James Financial, and Stifel Financial Corp. The Compensation Committee believes that information regarding pay practices at comparable companies is useful in two respects. First, as discussed above, we recognize that our pay practices must be competitive in our marketplace. By understanding the compensation practices and levels of the Company's peer group, we enhance our ability to attract and retain highly skilled and motivated executives, which is fundamental to the Company's success. Second, this data is one of the many factors the Compensation Committee considers in assessing the reasonableness of compensation. Accordingly, the Compensation Committee reviewed trends among these peer firms and considered this data when determining our named executive officers' 2021 annual bonuses and other compensation, but did not utilize the peer firm compensation as a sole benchmark for determining executive compensation.

### **RELATIONSHIP OF COMPENSATION POLICIES AND PRACTICES TO RISK MANAGEMENT**

The Board has discussed whether our compensation policies are reasonably likely to have a material adverse effect on our results. The Board noted that, consistent with our performance-based model, many of our employees receive a significant portion of their compensation through discretionary compensation tied to their individual or business unit performance, or a combination thereof. The Board noted that a lower portion of the Company's revenues are derived from proprietary trading businesses and that a significant portion of many employees' compensation is provided in the form of deferred compensation that vests over time, which has the effect of tying the individual employee's long-term financial interest to the firm's overall success. The Board believes that this helps mitigate the risks inherent in our business.

The Board noted that our risk management team continuously monitors our various business groups, the level of risk they are taking and the efficacy of potential risk mitigation strategies. Senior management also monitors risk and the Board is provided with data relating to risk at each of its regularly scheduled meetings. The Head of Risk meets regularly with the Board to present his views and to respond to questions. For these reasons, the Board believes that our overall compensation policies and practices are not likely to have a material adverse effect on us.

### **CLAWBACK POLICY**

In March 2015, the Company adopted a clawback policy that allows the Company to recover incentive compensation from any executive officer if that executive officer engages in intentional misconduct that caused or contributed to a restatement of the Company's financial results. In the event of a restatement, a committee consisting of the non-management members of the Board (the "Independent Director Committee") will review the performance-based compensation and annual bonus compensation paid in the form of both cash and equity under the Company's equity and incentive plans to any such executive (the "Awarded Compensation"). If the Independent Director Committee determines, in good faith, that the amount of such performance-based compensation or annual bonus actually paid or awarded to any such executive officer would have been a lower amount had it been calculated based on such restated financial statements (the "Actual Compensation") then the Independent Director Committee shall, subject to certain exceptions, seek to recover for the benefit of the Company the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation.

## EXECUTIVE OFFICER STOCK OWNERSHIP GUIDELINES

The Company adopted stock ownership guidelines on March 18, 2015 that require the Company's executive officers to hold Company stock or RSUs within the later of the adoption of the policy or five years of being designated as an executive officer. All named executive officers are in compliance with the stock ownership guidelines, which are set forth below.

<b>Chief Executive Officer</b>	<b>8× Base Salary</b>	<b>\$</b>	<b>8,000,000</b>
<b>Other Executive Officers</b>	<b>3× Base Salary</b>	<b>\$</b>	<b>2,100,000</b>

## ANTI-HEDGING POLICY

In order to support alignment between the interests of stockholders and employees, the Company maintains an anti-hedging policy that prohibits the "short sale" of Company securities. The policy prohibits employees from trading in options, warrants, puts and calls or similar instruments on Company securities. We allow directors and executive officers to hold up to 50% of their Company stock in a margin account. During 2021, all named executive officers were in compliance with this policy.

## PERQUISITES

In 2021, the Company provided certain perquisites, including reimbursement of group term life and long-term disability insurance and tax and financial planning expenses to certain members of senior management, including Messrs. Solomon, Lasota and Littman. Beginning in 2022, the Company will no longer pay tax and financial planning expenses for members of senior management.

## EMPLOYMENT AGREEMENTS

Each of our named executive officers is party to an employment agreement with the Company. The Compensation Committee views the employment agreements as an important tool in achieving our compensation objective of recruiting and retaining talented employees and a strong management team. The severance and change-in-control arrangements provided by the employment agreements are intended to retain our named executive officers and to provide consideration for certain restrictive covenants that apply following a termination of employment. None of our named executive officers have minimum guaranteed bonuses in their employment agreements.

## TAX AND ACCOUNTING IMPACT AND POLICY

The financial and income tax consequences to the Company of individual executive compensation elements are important considerations for the Compensation Committee when analyzing the overall design and mix of compensation. The Compensation Committee seeks to balance an effective compensation package for our named executive officers with an appropriate impact on reported earnings and other financial measures.

In designing our compensation and benefit programs, we review and consider the accounting implications of our decisions, including the accounting treatment of amounts awarded or paid to our executives.

In general, Section 162(m) of the Code generally denies a publicly held corporation a deduction for federal income purposes for compensation in excess of \$1 million per year paid to certain “covered employees.” As in prior years, the Compensation Committee will continue to take into account the tax and accounting implications (including with respect to the expected lack of deductibility under the revised Section 162(m)) when making compensation decisions, but reserves its right to make compensation decisions based on other factors as well if the Compensation Committee determines it is in its best interests to do so. The Compensation Committee may, from time to time, design programs that are intended to further our success, including by enabling us to continue to attract, retain, reward and motivate highly-qualified executives that may not be deductible as a result of the limitations on deductibility under Section 162(m).

#### **COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and has recommended to the Board the inclusion of the Compensation Discussion and Analysis in the Form 10-K and in the definitive proxy statement for our 2022 Annual Meeting of Stockholders.

#### **Compensation Committee of the Board of Directors of Cowen Inc.**

Brett H. Barth, Chair  
Lawrence E. Leibowitz  
Margaret L. Poster  
Douglas A. Rediker

## Summary Compensation Table

The following table sets forth compensation information for our named executive officers in 2021.

Name & Principal Position	Year	Salary (\$)	Bonus (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	All Other Compensation (\$)	Total (\$)
<b>Jeffrey M. Solomon</b>	2021	1,000,000	16,000,000	8,383,130	3,176,410 <sup>(3)</sup>	28,559,540
<i>Chief Executive Officer</i>	2020	1,000,000	13,000,000	3,157,115	1,833,388	18,990,503
	2019	950,000	1,300,000	3,588,250	1,640,563	7,478,814
<b>Stephen A. Lasota</b>	2021	700,000	4,613,000	595,292	384,635 <sup>(3)</sup>	6,292,927
<i>Chief Financial Officer</i>	2020	700,000	4,847,295	899,110	373,870	6,820,275
	2019	700,000	1,212,500	854,236	353,358	3,120,094
<b>John Holmes</b>	2021	700,000	5,056,000	595,292	405,860 <sup>(3)</sup>	6,757,152
<i>Chief Operating Officer</i>	2020	700,000	5,347,295	927,220	386,842 <sup>(3)</sup>	7,361,357
	2019	700,000	927,220	926,630	361,137	3,235,267
<b>Owen S. Littman</b>	2021	700,000	4,613,000	595,292	389,075 <sup>(3)</sup>	6,299,141
<i>General Counsel and Secretary</i>	2020	700,000	4,847,295	899,110	366,686	6,818,910
	2019	700,000	1,212,500	890,424	351,955	3,154,879

- (1) The amounts in this column reflect cash bonuses paid to the named executive officers in 2022 from the bonus pool established in respect of performance during the 2021 year.
- (2) The entries in the stock awards column reflect the aggregate grant date value of the RSU and PSA awards granted in 2021 in connection with 2020 performance in accordance with FASB ASC 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. The value of the PSA awards reflects the grant date value of the awards based on the target level of performance, which is less than the maximum possible value. The grant date value of the PSA awards assuming that the highest level of the applicable performance conditions will be achieved is \$4,603,130 for Mr. Solomon and \$1,190,584 for Messrs. Lasota, Holmes and Littman, respectively. For information on the valuation assumptions with respect to awards made, refer to the Company's Share-Based Compensation and Employee Ownership Plans Note in its financial statements included in its Form 10-K for the year ended December 31, 2021, as filed with the SEC.
- (3) Other compensation includes:

Other Compensation (\$)	Jeffrey M. Solomon	Stephen A. Lasota	John Holmes	Owen S. Littman
<b>Vested Deferred Cash Awards</b>	3,052,196	354,410	382,436	365,897
<b>Dividend Equivalents</b>	70,722	23,029	23,424	23,178
<b>Tax and Financial Planning</b>	53,492	7,195	—	1,774

## GRANTS OF PLAN BASED AWARDS

The following table provides information regarding grants of compensation-related, plan based awards made to the named executive officers during fiscal year 2021. These awards are also included in the Summary Compensation Table above.

	Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(1)</sup>					All Other Stock Awards: Number of Shares of Stock or Units (#)(2)	Grant Date Fair Value of Stock Awards (\$)(3)
	Grant Date	Corporate Action Date	Threshold (#)	Target (#)	Maximum (#)		
<b>Jeffrey M. Solomon</b>	2/17/2021	2/4/2021	—	—	—	175,717	6,081,565
	2/17/2021	2/4/2021	33,250	66,500	133,000	—	2,301,565
<b>Stephen A. Lasota</b>	2/17/2021	2/4/2021	8,600	17,200	34,400	19,490	595,292
<b>John Holmes</b>	2/17/2021	2/4/2021	8,600	17,200	34,400	21,099	595,292
<b>Owen S. Littman</b>	2/17/2021	2/4/2021	8,600	17,200	34,400	19,490	595,292

- The amounts reported in these columns represent Performance RSUs that are scheduled to vest on December 31, 2023 based on the attainment of AROE targets, subject to the named executive officer's continued employment through the applicable vesting date. These columns represent the number of Performance RSUs that vest at threshold achievement, target achievement and maximum achievement of the performance metrics applicable to such awards. At or below the threshold performance level, no shares will be paid out. At the maximum performance level, payout in excess of 120% will be settled in cash.
- RSUs will vest with respect to 25% on December 1, 2021, 25% on December 1, 2022, 25% on December 1, 2023 and 25% on December 1, 2024.
- The entries in the "Grant Date Fair Value of Stock Awards" column reflect the aggregate grant date fair value of the awards granted in 2021 computed in accordance with FASB ASC 718, disregarding for this purpose the estimate of forfeitures related to service based vesting conditions. The value of the PSA awards reflects the grant date value of the awards based on the target level of performance, which is less than the maximum possible value. The grant date value of the PSA awards assuming that the highest level of the applicable performance conditions will be achieved is \$4,603,130 for Mr. Solomon and \$1,190,584 for Messrs. Lasota, Holmes and Littman, respectively. For information on the valuation assumptions with respect to awards made, refer to the Company's Share-Based Compensation and Employee Ownership Plans Note in its financial statements included in its Form 10-K for the year ended December 31, 2021, as filed with the SEC.

## NARRATIVE DISCLOSURE RELATING TO SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS TABLE

### Employment Agreements

In January 2020, the Company entered into amended and restated employment agreements with Messrs. Solomon, Holmes, Lasota and Littman (the "Employment Agreements"). The Employment Agreements provide for the following material terms:

- An initial term that expired December 31, 2020. Following the expiration of the initial term, the terms of the agreements automatically extend for successive one-year terms, unless either party elects not to extend the term.
- A minimum annual base salary of \$1,000,000 for Mr. Solomon and \$700,000 for Messrs. Holmes, Lasota, and Littman. Each named executive officer is also eligible to receive an annual performance-based bonus as determined by the Compensation Committee. The Employment Agreements provide that the Company may pay all or a portion of any annual bonus in the form of restricted securities, other stock or security-based awards, deferred cash, or other deferred compensation. The Employment Agreements do not provide for a minimum annual bonus.
- Pursuant to Mr. Solomon's Employment Agreement, if Mr. Solomon's employment is terminated by the Company without Cause or Mr. Solomon resigns for Good Reason (as such terms are defined in the Solomon Agreement) prior to, in connection with or following a Change in Control (as described in the Solomon Agreement), then subject to Mr. Solomon executing and not revoking a release of claims, he will be entitled to a lump sum severance payment equal to two and one-half times the sum of (x) Mr. Solomon's base salary on the date of termination plus (y) the average of the highest annual bonuses paid to Mr. Solomon in two of the three calendar years preceding his date of termination, except that the foregoing severance amount will not be less than \$3,250,000 or greater than \$5,000,000 if Mr. Solomon's termination occurs prior to a Change in Control (such payments will continue to be subject to the existing Internal Revenue Code Section 280G "modified cutback" provisions).

- If Mr. Solomon elects to transition to Senior Advisor status upon reaching age 55, the terms of Mr. Solomon’s service as a Senior Advisor will be governed by the Senior Advisor Agreement. In particular, Mr. Solomon’s service as a Senior Advisor will continue until the earliest of (i) 15 days following Mr. Solomon’s written notice that he is terminating as a Senior Advisor, (ii) the second anniversary of the date he commences Senior Advisor status, (iii) the date of Mr. Solomon’s death or disability and (iv) the date Mr. Solomon is terminated by the Company for Cause. In consideration for providing Senior Advisor services, Mr. Solomon will receive a base salary at an annualized rate of \$150,000 and will be entitled to secretarial and administrative support. Mr. Solomon will also be entitled to receive certain additional benefits while a Senior Advisor, including office space (or, at the Company’s election, payment of up to \$60,000 per year for office space), financial planning services at the Company’s expense and continued payment by the Company of life insurance premiums.
- Pursuant to the Executive Agreements with Messrs. Holmes, Lasota and Littman (collectively, the “Executive Agreements”), if the executive’s employment is terminated by the Company without Cause or the executive resigns for Good Reason (each as described in the Executive Agreements) prior to a Change in Control (as described in the Executive Agreements), the executive will receive a lump sum cash payment equal to one and one-half times the sum of (x) the executive’s base salary in effect at the end of the calendar year immediately preceding termination plus (y) the average of the highest annual bonuses paid to the executive in two of the three calendar years preceding his date of termination (such sum, the “Severance Amount”), except that the foregoing severance amount will not be greater than \$1,500,000. Pursuant to the Executive Agreements, if the executive’s employment is terminated by the Company without Cause or the executive resigns for Good Reason in connection with or following a Change in Control, the executive will receive a lump sum cash payment equal to two and one-half times the Severance Amount, which lump sum will not be subject to a cap. The Executive Agreements require the executives to execute and not revoke a release of claims as a condition to receiving severance payments (such payments will continue to be subject to the existing Internal Revenue Code Section 280G “modified cutback” provisions).
- In the event that the executive retires after attaining age 57.5 (or age 55, in the case of Mr. Solomon) and provides the Company with at least 90 days’ advance notice, all outstanding equity awards and unvested deferred compensation then held by the executive will continue to vest in accordance with their terms as if the executive had continued to be an active employee of the Company, provided he does not engage in competitive activity at any time prior to the applicable vesting date and refrains from interfering with the Company’s employees and customers for 12 months following his retirement. Messrs. Holmes, Lasota and Solomon have reached the Executive Agreement retirement age.
- Customary confidentiality and invention assignment covenants, as well as an indefinite mutual non-disparagement covenant. In addition, these executives have agreed not to compete with, or solicit customers or employees of, the Company during the term of the employment agreement and for a period of 180 days for Mr. Solomon and 120 days for Messrs. Holmes, Lasota and Littman.

#### **2020 Equity Incentive Plan**

Effective as of June 22, 2020, the Company adopted the 2020 Equity Incentive Plan which provided for the issuance of 3,000,000 Shares of Class A common stock. The 2020 Equity Incentive Plan was amended in June 2021 to increase the amount of Class A common stock available for issuance under the 2020 Equity Incentive Plan by 2,000,000 shares (the “2020 Plan”).

The 2020 Plan reserved 5,000,000 shares of Class A common stock for delivery to participants and their beneficiaries under the 2020 Plan, subject to adjustment in the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off, or other similar change in capitalization or event. Shares delivered under the 2020 Plan may be either treasury shares or newly issued shares. For purposes of determining the remaining ordinary shares available for grant under the 2020 Plan, if any shares subject to an award are forfeited, cancelled, exchanged, or surrendered, or if an award terminates or expires without a distribution of shares, those shares will again be available for issuance under the 2020 Plan. However, shares of stock that are exchanged by a grantee or withheld by us as full or partial payment in connection with any award under the 2020 Plan, as well as any shares of stock exchanged by a grantee or withheld by us to satisfy the tax withholding obligations related to any award under the 2020 Plan, will not be available for subsequent awards under the 2020 Plan.

The 2020 Plan provides that generally, unless otherwise determined by the Compensation Committee or as set forth in an award or employment agreement, in the event of a change in control (as defined in the 2020 Plan), all outstanding awards shall become fully vested and exercisable and all restrictions, forfeiture conditions or deferral periods on any outstanding awards shall immediately lapse, and payment under any awards shall become due. The Compensation Committee has determined that all awards to our named executive officers under the 2020 Plan will vest on a double-trigger basis in the event of a change in control.

## OUTSTANDING EQUITY AWARDS AT 2021 FISCAL YEAR END

The following table contains certain information regarding equity awards held by the named executive officers as of December 31, 2021.

	Stock Awards			
	Number of Shares that Have Not Vested (#)	Market Value of Shares that Have Not Vested (\$) <sup>(1)</sup>	Equity Incentive Plan Awards: Number of Unearned Units That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested (\$) <sup>(1)</sup>
<b>Jeffrey M. Solomon</b>				
2019 RSU Award <sup>(2)</sup>	80,435	2,903,704	—	—
2019 PSA Award <sup>(3)</sup>	—	—	28,000	1,010,800
2020 RSU Award <sup>(4)</sup>	97,449	3,517,909	—	—
2020 PSA Award <sup>(5)</sup>	—	—	27,000	974,700
2021 RSU Award <sup>(6)</sup>	131,788	—	—	4,757,547
2021 PSA Award <sup>(7)</sup>	—	—	33,250	1,200,325
<b>Stephen A. Lasota</b>				
2018 Incentive Award <sup>(8)</sup>	8,993	324,647	—	—
2019 RSU Award <sup>(2)</sup>	9,413	339,809	—	—
2019 PSA Award <sup>(3)</sup>	—	—	17,500	631,750
2020 RSU Award <sup>(4)</sup>	14,618	527,710	—	—
2020 PSA Award <sup>(5)</sup>	—	—	17,000	613,700
2021 PSA Award <sup>(7)</sup>	—	—	8,600	310,460
<b>John Holmes</b>				
2018 Incentive Award <sup>(8)</sup>	17,986	649,295	—	—
2019 RSU Award <sup>(2)</sup>	11,543	416,702	—	—
2019 PSA Award <sup>(3)</sup>	—	—	17,500	631,750
2020 RSU Award <sup>(4)</sup>	15,825	571,283	—	—
2020 PSA Award <sup>(5)</sup>	—	—	17,000	613,700
2021 PSA Award <sup>(7)</sup>	—	—	8,600	310,460
<b>Owen S. Littman</b>				
2018 Incentive Award <sup>(8)</sup>	8,993	324,647	—	—
2019 RSU Award <sup>(2)</sup>	10,476	378,184	—	—
2019 PSA Award <sup>(3)</sup>	—	—	17,500	631,750
2020 RSU Award <sup>(4)</sup>	14,618	527,710	—	—
2020 PSA Award <sup>(5)</sup>	—	—	17,000	613,700
2021 PSA Award <sup>(7)</sup>	—	—	8,600	310,460

- (1) The values in the column are based on the \$36.10 closing price of our Class A common stock on the NASDAQ Global Select Market on December 31, 2021.
- (2) RSUs awarded on February 20, 2019 vest with respect to 12.5% on September 1, 2019, 12.5% on May 15, 2020, 25% in May 15, 2021, 25% on May 15, 2022 and 25% on May 15, 2023.
- (3) PSAs awarded on April 1, 2019 will, to the extent earned, vest on December 31, 2021. These PSAs are scheduled to vest based on the attainment of AROCE target for the applicable performance period, subject to the named executive officer's continued employment through the applicable vesting date. In accordance with SEC rules, the number of unearned PSAs is reported in the "Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested" column based on achieving threshold performance goals (i.e., 50% of target).
- (4) RSUs awarded on February 19, 2020 vest with respect to RSUs will vest with respect to 12.5% on December 1, 2020, 12.5% on September 1, 2021, 25% on September 1, 2022, 25% on September 1, 2023 and 25% on September 1, 2024.
- (5) PSAs awarded on July 1, 2020 will, to the extent earned, vest on December 31, 2022. These PSAs are scheduled to vest based on the attainment of AROCE target for the applicable performance period, subject to the named executive officer's continued employment through the applicable vesting date. In accordance with SEC rules, the number of unearned PSAs is reported in the "Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested" column based on achieving threshold performance goals (i.e., 50% of target).
- (6) RSUs awarded on February 17, 2021 vest with respect to RSUs will vest with respect to 25% on December 1, 2021, 25% on December 1, 2022, 25% on December 1, 2023 and 25% on December 1, 2024.
- (7) PSAs awarded on February 17, 2021 will, to the extent earned, vest on December 31, 2023. These PSAs are scheduled to vest based on the attainment of AROCE target for the applicable performance period, subject to the named executive officer's continued employment through the applicable vesting date. In accordance with SEC rules, the number of unearned PSAs is reported in the "Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested" column based on achieving threshold performance goals (i.e., 50% of target).
- (8) RSUs awarded on March 29, 2018 will vest on March 10, 2022.



## OPTION EXERCISES AND STOCK VESTED

The following table sets forth certain information concerning stock vested during the year ended December 31, 2021. No stock options were exercised by any of the named executive officers in 2021.

<b>Name</b>	<b>Number of Shares Acquired on Vesting</b>	<b>Value Realized on Vesting (\$)<sup>(1)</sup></b>
<b>Jeffrey M. Solomon</b>	202,391	7,100,633
<b>Stephen A. Lasota</b>	73,973	2,332,098
<b>John Holmes</b>	75,239	2,383,275
<b>Owen S. Littman</b>	74,506	2,354,095

(1) The value realized upon vesting of the stock awards is based on the \$42.17 closing sale price of our Class A common stock on March 10, 2021, the \$41.27 closing sale price of our Class A common stock on May 15, 2021, the \$40.39 closing sale price of our Class A common stock on June 1, 2021, the \$36.44 closing sale price of our Class A common stock on September 1, 2021 and the \$35.12 closing sale price of our Class A common stock on December 1, 2021, the applicable vesting dates of the awards.

## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Pursuant to the employment agreements with our named executive officers, upon certain terminations of employment or a change in control of the Company, our named executive officers are entitled to certain payments of compensation and benefits as described above under “Narrative Disclosure Relating to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements.” The table below reflects the amount of compensation and benefits that would have been payable to each named executive officer in the event that the named executive officer had experienced the following events as of December 31, 2021: (i) a termination for cause or resignation, or voluntary termination, (ii) involuntary termination, (iii) an involuntary termination that occurs in connection with a change in control, (iv) termination by reason of an executive’s death, or (v) termination by reason of an executive’s disability.

Name	Type of Payment	Triggering Events				
		Voluntary Termination (\$)	Involuntary Termination (\$)	Involuntary Termination in Connection with a Change in Control <sup>(4)(5)</sup> (\$)	Death (\$)	Disability (\$)
Jeffrey M. Solomon	Cash Severance <sup>(1)</sup>	—	28,035,271	40,685,251	22,936,125	22,936,125
	Equity Acceleration <sup>(2)</sup>	—	14,364,984	14,364,984	14,364,984	14,364,984
	<b>Total</b>	—	<b>42,400,255</b>	<b>55,050,235</b>	<b>37,301,109</b>	<b>37,301,109</b>
Stephen A. Lasota	Cash Severance <sup>(3)</sup>	—	5,818,455	9,731,952	4,318,455	4,318,455
	Equity Acceleration <sup>(2)</sup>	—	2,748,076	2,748,076	2,748,076	2,748,076
	<b>Total</b>	—	<b>8,566,531</b>	<b>12,480,028</b>	<b>7,066,531</b>	<b>7,066,531</b>
John Holmes	Cash Severance <sup>(3)</sup>	—	6,177,378	10,377,375	4,677,378	4,677,378
	Equity Acceleration <sup>(2)</sup>	—	3,193,189	3,193,189	3,193,189	3,193,189
	<b>Total</b>	—	<b>9,370,567</b>	<b>13,570,564</b>	<b>7,870,567</b>	<b>7,870,567</b>
Owen S. Littman	Cash Severance <sup>(3)</sup>	—	5,849,283	9,749,281	4,349,283	4,349,283
	Equity Acceleration <sup>(2)</sup>	—	2,786,451	2,786,451	2,786,451	2,786,451
	<b>Total</b>	—	<b>8,635,734</b>	<b>12,535,732</b>	<b>7,135,734</b>	<b>7,135,734</b>

- (1) Includes the value of a cash payment equal to the sum of (i) the average of Mr. Solomon’s 2019 and 2020 annual bonuses (the highest annual bonuses paid to Mr. Solomon in two of the three calendar years), comprised of cash bonus, deferred cash and deferred equity (\$15,274,980), (ii) two and one-half times the sum of Mr. Solomon’s 2019 base salary (\$950,000) and the average of Mr. Solomon’s 2019 and 2020 annual bonuses (subject to a \$3.25 million minimum and a \$5 million limit), (iii) a cash payment equal to 24 months of COBRA premiums, and (iv) the value of acceleration of unvested deferred cash compensation (\$7,661,145, including interest accrued through December 31, 2020), which is payable to Mr. Solomon pursuant to the terms of his employment agreement. In connection with an involuntary termination following a change in control, the \$5 million cash limit would not apply to the Cash Severance payment. Had Mr. Solomon experienced a termination by reason of death or disability, he would have been entitled to a cash payment equal to the sum of the amounts described under clauses (i), (iii), and (iv) above.
- (2) Includes the value of acceleration of all unvested shares of restricted stock and all performance share and PSA awards, based on a price of \$36.10 per share, which was the closing price of our Class A common stock on the NASDAQ Global Select Market on December 31, 2021. Pursuant to their employment agreements and the applicable award agreements, the executives are entitled to immediate vesting of outstanding equity awards upon an involuntary termination or a termination by reason of death or disability, except for the PSAs granted in April 2019, June 2020 and February 2021, which will, upon an involuntary termination, remain outstanding until the completion of the applicable performance period without regard to the continued service requirement and will vest based on the actual level of the attainment of the applicable performance goals. For reporting purposes, target level performance was assumed. In addition, pursuant to the terms of the applicable award agreements, unvested equity awards will vest in the event that a change in control occurs and, following such change in control, the executive’s compensation or job responsibilities are reduced materially or the equity securities of the Company cease to trade on a national securities exchange, except for the PSAs granted in April 2019 and June 2020, which will vest based on the target level of the applicable performance goals, subject to the named executive officer’s continued employment through the applicable vesting date.
- (3) Includes the value of a cash payment equal to the sum of (i) the average of the 2019 and 2020 annual bonus comprised of cash bonus, deferred cash and deferred equity (\$3,663,498, \$3,949,998 and \$3,649,998 ) for Messrs. Lasota, Holmes and Littman, respectively, (ii) one and one-half times the 2020 base salary and the average of the 2019 and 2020 annual bonuses for Messrs. Lasota, Holmes and Littman, respectively (subject to a \$1.5 million limit), (iii) a cash payment equal to 24 months of COBRA premiums (\$45,581 for Mr. Lasota, \$43,754 for Mr. Holmes and \$67,410 for Mr. Littman), and (iv) the value of acceleration of unvested deferred cash compensation (\$609,376, \$683,626 and \$631,876) for each of Mr. Lasota, Mr. Holmes and Mr. Littman, respectively, including interest accrued through December 31, 2021), which is payable to Messrs. Lasota, Holmes and Littman pursuant to the terms of their employment agreements. Had Mr. Lasota, Mr. Holmes or Mr. Littman experienced a termination by reason of death or disability, each executive would have been entitled to a cash payment equal to the sum of the amounts described under clauses (i), (iii), and (iv) above.

- (4) Includes the value of the same cash severance payments that would have been payable to Messrs. Lasota, Holmes and Littman in connection with an involuntary termination of employment (as described above), except that the applicable multiplier for the 2020 base salary and the average of the 2019 and 2020 annual bonuses for Messrs. Lasota, Holmes and Littman, respectively will be two and one-half times instead of one and one-half times and will not be subject to the \$1.5 million limit. Pursuant to their employment agreements, Messrs. Lasota, Holmes and Littman will be entitled to receive this enhanced cash severance payment in the event of an involuntary termination of employment in connection with or following a change in control. In addition, pursuant to the terms of the applicable award agreements, each executive's unvested deferred cash compensation will vest in the event that a change in control occurs and, following such change in control, the executive's compensation or job responsibilities are reduced materially or the equity securities of the Company cease to trade on a national securities exchange.
- (5) Under the employment agreements with Messrs. Solomon, Lasota, Holmes and Littman, severance payable following a change in control would have been subject to a so-called "modified golden parachute cutback" provision pursuant to which "excess parachute payments" would be reduced to the extent such reduction would result in greater after-tax benefits. The amounts disclosed above represent the full amounts payable, without application of any cutback.

## **PAY RATIO**

Pursuant to Item 402(u) of Regulation S-K, presented below is the ratio of annual total compensation of Mr. Solomon, our Chief Executive Officer as of December 31, 2021, to the median annual total compensation of all our employees (excluding our Chief Executive Officer).

To determine the median annual total compensation of all our employees (excluding our Chief Executive Officer), a median employee was identified from the population of our 1,542 employees as of December 31, 2021. We did not include independent contractors in our determination.

In order to identify our median employee, we ranked each of our employees (other than our Chief Executive Officer) based on 2021 awarded compensation. For this purpose, 2021 awarded compensation was composed of each employee's (i) salary earned during 2021, (ii) annual cash bonus paid in respect of 2021 performance, (iii) deferred cash awards granted in respect of 2021 performance and (iv) and RSUs granted in respect of 2021 performance. In determining 2021 awarded compensation, we did not apply any cost-of-living adjustments or annualize any partial-year compensation.

Once we identified the median employee, we determined that individual's annual total compensation in accordance with the requirements for determining total compensation in the Summary Compensation Table.

The 2021 annual total compensation for Mr. Solomon, our Chief Executive Officer, as reported in the Summary Compensation Table in this proxy statement, was \$28,559,540. The 2021 annual total compensation for our median employee, determined in accordance with the requirements for determining total compensation in the Summary Compensation Table, was \$215,000. The ratio of our Chief Executive Officer's annual total compensation to the annual total compensation of our median employee for 2021 is 133 to 1. We believe that this ratio represents a reasonable estimate calculated in a manner consistent with Item 402(u).

The information disclosed in this section was developed and is provided solely to comply with specific, new legal requirements. We do not use this information in managing our Company. We do not believe this information provides stockholders with a useful mechanism for evaluating our management's effectiveness, operating results, or business prospects, nor for comparing our company with any other company in any meaningful respect.

## COMPENSATION PROGRAM FOR NON-EMPLOYEE DIRECTORS FOR 2021

### Director Compensation Table

The following table sets forth compensation information for our non-employee directors for the year ended December 31, 2021.

Director	Fees Earned Paid in Cash (\$)	Stock Awards \$( <sup>1</sup> )	All Other Compensation \$( <sup>2</sup> )	Total
Brett H. Barth <sup>(3)</sup>	162,500	162,500	5,921	330,921
Katherine E. Dietze	142,500	142,500	—	285,000
Gregg A. Gonsalves	125,000	125,000	—	250,000
Steven Kotler	135,000	135,000	—	270,000
Lawrence E. Leibowitz	62,500	187,500	—	250,000
Margaret L. Poster	125,000	125,000	2,193	252,193
Douglas A. Rediker <sup>(3)</sup>	—	250,000	—	250,000

(1) Represents the aggregate grant date fair value calculated in accordance with generally accepted accounting principles, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For information on the valuation assumptions with respect to awards made, refer to the Company's Share-Based Compensation and Employee Ownership Plans Note in its financial statements included in its Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 1, 2022. As of December 31, 2021, all outstanding stock awards held by our directors are fully vested.

(2) Represents dividend equivalents paid on delivered RSUs.

(3) In 2021, Mr. Rediker elected to receive 100% of his director compensation in RSUs. Please see "Narrative Disclosure Relating to Director Compensation Table" below for additional information regarding non-employee director compensation in 2021.

### Narrative Disclosure Relating to Director Compensation Table

In 2021, each of our non-employee directors received annual compensation of \$250,000. Mr. Barth, the Company's Lead Director, received additional compensation of \$50,000. Ms. Dietze, the Chair of the Audit Committee received additional compensation of \$35,000 per annum. Mr. Barth, the Chair of the Compensation Committee, received additional compensation of \$25,000 per annum, and Mr. Kotler, the Chair of the Nominating and Corporate Governance Committee received additional compensation of \$20,000 per annum. For 2021, a minimum of 50% of a director's compensation was paid in the form of RSUs. In addition, each director was entitled to elect to receive any amount in excess of 50% of 2021 compensation in the form of RSUs. The RSUs were valued using the volume-weighted average price for the 30-day period prior to our 2021 annual meeting of stockholders. RSUs are vested and not subject to forfeiture; however, except in the event of death, the underlying shares of Class A common stock will not be delivered to the holder for at least one year from the date of grant. Beginning in 2021, cash dividend equivalent payments are converted to additional RSUs and will be delivered to each director upon the delivery of the underlying shares of Class A common stock. These equity awards are intended to further align the interests of our directors with those of our stockholders. Directors who also are employed as executive officers of the Company receive no additional compensation for their service as a director.

### Compensation Committee Interlocks and Insider Participation

The Compensation Committee is comprised entirely of non-employee directors, none of whom has ever been an officer or employee of the Company and none of whom had any related person transaction involving the Company. None of our executive officers (1) served as a member of the board of directors or compensation committee of any other entity that had one or more of its executive officers serving as a member of our Compensation Committee or (2) served as a member of the compensation committee of any other entity that had one or more of its executive officers serving as a member of our Board during 2021.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

### Beneficial Ownership of Directors, Nominees and Executive Officers

The following table shows how many shares of our Class A common stock were beneficially owned as of April 29, 2022, by each of our directors and named executive officers and by all of our directors and named executive officers as a group. Unless otherwise noted, the stockholders listed in the table have sole voting and investment power with respect to the shares owned by them.

<b>Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Brett H. Barth	95,789 <sup>(1)</sup>	*
Katherine E. Dietze	12,007 <sup>(2)</sup>	*
Gregg A. Gonsalves	— <sup>(3)</sup>	*
Lorence Kim	30,000	*
Steven Kotler	2,500 <sup>(4)</sup>	*
Lawrence E. Leibowitz	8,000 <sup>(5)</sup>	*
Margaret L. Poster	13,547 <sup>(6)</sup>	*
Douglas A. Rediker	— <sup>(7)</sup>	*
Jeffrey M. Solomon	619,194	2.25%
John Holmes	210,312	*
Stephen A. Lasota	248,665	*
Owen S. Littman	195,837 <sup>(8)</sup>	*
All directors and executive officers as a group (12 persons)	1,435,851	5.22%

\* corresponds to less than 1% of Cowen Inc. Class A common stock,

- (1) The amount presented does not include 4,121 fully-vested RSUs that will be delivered to Mr. Barth upon the one-year anniversary of the grant date.
- (2) The amount presented does not include 67,602 fully-vested RSUs that will be delivered to Ms. Dietze upon her retirement from the Board.
- (3) The amount presented does not include 10,480 fully-vested RSUs that will be delivered to Mr. Gonsalves upon the three-year anniversary of the grant date.
- (4) The amount presented does not include 64,749 fully-vested RSUs that will be delivered to Mr. Kotler upon his retirement from the Board.
- (5) The amount presented does not include the 34,323 fully-vested RSUs that will be delivered to Mr. Leibowitz upon his retirement from the Board.
- (6) The amount presented does not include 3,170 fully-vested RSUs that will be delivered to Ms. Poster upon the three-year anniversary of the grant date.
- (7) The amount presented does not include 62,007 fully-vested RSUs that will be delivered to Mr. Rediker upon his retirement from the Board.
- (8) Includes 275 shares held in custodial accounts on behalf of Mr. Littman's children.

## Beneficial Owners of More than Five Percent of Our Class A Common Stock

Based on filings made under Section 13(d) and Section 13(g) of the Securities Exchange Act of 1934, as of April 29, 2022, the persons known by us to be beneficial owners of more than 5% of our Class A common stock were as follows:

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
BlackRock, Inc. <sup>(1)</sup> 55 East 52nd Street New York, NY 10055	2,656,131	9.66%
The Vanguard Group <sup>(2)</sup> 100 Vanguard Boulevard Malvern, PA 19355	1,665,334	6.06%
Azora Capital L.P. <sup>(3)</sup> 3350 Virginia Street, Suite 219 Coconut Grove, FL 33133	1,497,441	5.45%

(1) This information is based on a Schedule 13G filed with SEC on February 3, 2022 by BlackRock, Inc. Blackrock reported that it has sole voting power as to 2,493,395 and sole dispositive power as to 2,656,131 shares. The beneficial ownership indicated above represents the aggregate beneficial ownership of BlackRock, Inc., and its subsidiaries, BlackRock Life Limited, Aperio Group, LLC, BlackRock (Netherlands) B.V., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Japan Co., Ltd, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Fund Managers Ltd., BlackRock Institutional Trust Company, N.A., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited and BlackRock Investment Management (UK) Limited.

(2) This information is based on a Schedule 13G filed with the SEC on February 9, 2022 by The Vanguard Group (“Vanguard”). Vanguard reported that it has shared voting power as to 28,381 shares, sole dispositive power as to 1,615,975 shares and shared dispositive power of 49,369 shares.

(3) This information is based on a Schedule 13G filed with the SEC on February 14, 2022 by Azora Capital L.P., Azora Capital GP LLC and Ravi Chopra (“Azora”). Azora reported that it has shared voting and dispositive power as to 1,456,873 shares.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors to file initial reports of ownership of our securities and reports of changes in ownership of our securities with the Securities and Exchange Commission.

Based on a review of copies of such reports and on written representations from our executive officers and directors, we believe that all Section 16(a) filing and disclosure requirements applicable to our executive officers and directors for 2021 have been satisfied.

## Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes, as of December 31, 2021, the number of shares of our common stock to be issued upon exercise of outstanding options granted under our 2020 Equity and Incentive Plan, the weighted-average exercise price of such options, and the number of shares remaining available for future issuance under the plans for all awards as of December 31, 2021.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under the Equity Compensation Plan (Excluding Shares in First Column)</b>
Equity compensation plans approved by security holders	---	----	2,496,084
Equity compensation plans not approved by security holders	None	N/A	None

(1) This number is based on the 28,207,533 shares authorized for issuance under the Company's Equity and Incentive Plans as of December 31, 2021. As of March 31, 2022, we had 594,054 shares remaining under the equity plans, which exclude shares reserved for issuance based on certain performance criteria in existing agreements.

## Item 13. Certain Relationships and Related Transactions and Director Independence

### Director Independence

Under applicable Nasdaq Stock Market Rules, a director will only qualify as an "independent director" if, in the opinion of our Board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our Corporate Governance Guidelines require that a majority of the Board be composed of directors who meet the independence criteria established by NASDAQ Stock Market, Inc. Marketplace Rules. Under applicable NASDAQ Stock Market rules, a director will only qualify as an "independent director" if, in the opinion of our Board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making its determination, the Board considers all relevant facts and circumstances, both with respect to the director and with respect to any persons or organizations with which the director has an affiliation, including immediate family members.

Our Board has determined that none of Ms. Dietze or Poster nor Messrs. Barth, Gonsalves, Kim, Kotler, Leibowitz or Rediker currently has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an "independent director" as defined under Rule 4200(a)(15) of the NASDAQ Stock Market, Inc. Marketplace Rules.

Mr. Solomon cannot be considered an independent director under NASDAQ Stock Market rules because Mr. Solomon currently serves as our Chief Executive Officer. Therefore, the Board has determined that seven of our eight directors are independent.

## **Related Transactions Involving Our Executive Officers**

### ***Side-by-Side Investments***

To the extent permissible by applicable law, our executive officers, directors and certain eligible employees, as well as such individuals' immediate family members and other investors they refer to us, have historically been permitted to invest their own capital either directly in, or in side-by-side investments or managed accounts with, our alternative investment management funds and certain proprietary investment vehicles established by our broker-dealer segment. Side-by-side investments are investments in assets substantially similar to the investments of the applicable fund and the managed accounts are accounts that invest in the asset classes covered by our alternative investment business. Direct investment in managed accounts or side-by-side investments with, our funds by such individuals are generally made on the same terms and conditions as the investments made by other third party investors in the funds, except that such investments are subject to discounted management and performance fees.

### ***Employment Arrangements***

Kyle Solomon, the brother of Jeffrey M. Solomon, is a Managing Director of Cowen and Company and earned approximately \$2,505,054 in 2021, which amount includes Kyle Solomon's base salary, cash bonus paid in 2021 relating to 2020 and 2021 performance and approximately \$404,034 of deferred cash awards, RSUs granted in prior years that vested during 2021 and cash dividend equivalent payments.

## **Review and Approval of Transactions with Related Persons**

To minimize actual and perceived conflicts of interests, the Board has adopted a written policy governing transactions in which the Company is a participant, the aggregate amount involved is reasonably expected to exceed \$120,000, and any of the following persons has or may have a direct or indirect material interest in the transaction: (a) our executive officers, directors (including nominees) and certain other highly compensated employees, (b) stockholders who own more than 5% of our Class A common stock, and (c) any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law or person (other than a tenant or employee) sharing the same household of any person described in (a) or (b) above. These transactions will be considered "related person transactions."

Unless exempted from such policy as described below, the policy requires that related person transactions must be reported to our General Counsel or Chief Compliance Officer who will then submit the related person transaction for review by our Audit Committee. The Audit Committee will review all relevant information available to it and will approve or ratify only those related person transactions that it determines are not inconsistent with the best interests of the Company. If our General Counsel or Chief Compliance Officer determines that advance approval of a related person transaction is not practicable under the circumstances, the Audit Committee will review, and, in its discretion, may ratify the related person transaction at its next meeting, or at the next meeting following the date that the related person transaction comes to the attention of our General Counsel or Chief Compliance Officer. However, the General Counsel or Chief Compliance Officer may present a related person transaction that arises between Audit Committee meetings to the Chair of the Audit Committee, who will review and may approve the related person transaction, subject to the Audit Committee's ratification at its next meeting.

It is anticipated that any related person transaction previously approved by the Audit Committee or otherwise already existing that is ongoing will be reviewed annually by the Audit Committee to ensure that such transaction has been conducted in accordance with the previous approval granted by the Audit Committee, if any, and that all required disclosures regarding the related person transaction are made.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, the board anticipates it will determine that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of the policy:

- interests arising solely from the related person's position as an executive officer of another entity (whether or not the person is also a director of such entity), that is a participant in the transaction, where (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction, (c) the amount involved in the transaction equals less than the greater of \$200,000 or 5% of the annual gross revenues of the company receiving payment under the transaction;

- a transaction with a significant stockholder, or such stockholder's immediate family members, who has a current Schedule 13G filed with the SEC with respect to such stockholder's ownership of our securities; and
- a transaction that is specifically contemplated by provisions of our charter or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by the Compensation Committee in the manner specified in its charter.

#### Item 14. Principal Accounting Fees and Services

##### Independent Registered Public Accounting Firm Fees and Other Matters

The following table presents the aggregate fees billed for services rendered by KPMG LLP, our independent registered public accounting firm for the fiscal years ended December 31, 2021 and December 31, 2020.

	2021	2020
Audit Fees <sup>(1)</sup>	\$ 6,221,827	\$ 5,653,283
Audit-Related Fees <sup>(2)</sup>	50,156	47,274
Tax Fees <sup>(3)</sup>	1,096,363	1,143,687
All Other Fees <sup>(4)</sup>	235,422	86,100
Total	<u>7,603,768</u>	<u>6,930,345</u>

- (1) Audit fees reflect audit fees incurred for the Cowen Inc. integrated audit and quarterly reviews as well as the financial statement audits of its consolidated subsidiaries.
- (2) Audit-Related Fees reflect fees for attestation procedures required by local regulations for consolidated subsidiaries.
- (3) Tax fees reflect tax compliance and tax advisory services.
- (4) All Other Fees relate to due diligence and other non-tax advisory and consulting services.

KPMG LLP also provided services to entities affiliated with Cowen Inc. that were billed directly to those entities and, accordingly, were not included in the amounts disclosed above. These amounts included \$1,470,715 and \$1,317,500 for the audits of private equity funds, hedge funds and other fund structures within the Cowen Investment Management business for the years ended December 31, 2021 and December 31, 2020, respectively.

##### Auditor Services Pre-Approval Policy

The Audit Committee has adopted an Audit Committee Policy Regarding Outside Auditor Services which includes a pre-approval policy that applies to services performed for the Company by our independent registered public accounting firm. In accordance with this policy, we may not engage our independent registered public accounting firm to render any audit or non-audit service unless the service was approved in advance by the Audit Committee or the engagement is entered into pursuant to the pre-approval policies and procedures described below.

The pre-approval policy delegates to the Chair of the Audit Committee the authority to pre-approve any audit or non-audit services, provided that any approval by the Chair is reported to the Audit Committee at the Audit Committee's next regularly scheduled meeting. The Audit Committee may also pre-approve services that are expected to be provided to the Company by the independent registered public accounting firm during the next 12 months and at each regularly scheduled meeting of the Audit Committee, management or the independent registered public accounting firm must report to the Audit Committee each service actually provided to the Company pursuant to the pre-approval.

Our Audit Committee has determined that the provision of the non-audit services described in the table above was compatible with maintaining the independence of our independent registered public accounting firm. The Audit Committee reviews each non-audit service to be provided and assesses the impact of the service on the registered public accounting firm's independence.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

(a) Documents filed as part of this Annual Report on Form 10-K/A:

3. Exhibits

Exhibits are incorporated herein by reference or are filed with this report as indicated below:

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">31.3</a>	<a href="#">Certification of CEO Pursuant to Section 302 of Sarbanes-Oxley Act of 2002</a>
<a href="#">31.4</a>	<a href="#">Certification of CFO Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.</a>

**SIGNATURE**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COWEN INC.

By: /s/ Jeffrey M. Solomon

Name: Jeffrey M. Solomon

Title: Chief Executive Officer

Dated: May 2, 2022

**Certification**

I, Jeffrey M. Solomon, certify that:

1. I have reviewed this Amendment No.1 on Form 10-K/A of Cowen Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: May 2, 2022

/s/ Jeffrey M. Solomon

Name: Jeffrey M. Solomon

Title: *Chief Executive Officer*

*(principal executive officer)*

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**Certification**

I, Stephen A. Lasota, certify that:

1. I have reviewed this Amendment No.1 on Form 10-K/A of Cowen Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: May 2, 2022

/s/ Stephen A. Lasota

Name: Stephen A. Lasota

Title: *Chief Financial Officer (principal financial officer and principal accounting officer)*

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