UNLU Merchant Bank LONDON

MIFIDPRU 8 DISCLOSURE

Introduction

The Financial Conduct Authority's ("FCA") sourcebook for MiFID Investment Firms in the FCA Handbook ("MIFIDPRU") sets out the detailed prudential requirements that apply to **Unlu Merchant Bank Limited** ("Unlu Merchant Bank", the "Firm"). Chapter 8 of MIFIDPRU ("MIFIDPRU 8") sets out the public disclosure rules and guidance with which the Firm must comply.

Unlu Merchant Bank was classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm ("SNI Firm") during the financial year ended 31 December 2025. As such, the Firm is required to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm's culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

Scope and Application

Unlu Merchant Bank has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC"). This remuneration policy and procedure also complies with the FCA requirements under SYSC.

In accordance with MIFIDPRU 8.6.2, the Firm makes the following qualitative remuneration disclosures:

- The Firm's remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale, and complexity of the risks inherent in the business model and the activities of the Firm.
- The Firm's Board of Directors is responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all employees.

The Firm's Remuneration Policy sets out the criteria for setting fixed and variable remuneration.

All remuneration paid to employees is clearly categorised as either fixed or variable remuneration.

Generally, the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. Fixed remuneration is based upon an employee's professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance. This includes fixed salary, leave and various other allowances where applicable.

Variable remuneration is based on a combination of employees' performance and the Firm's performance. Currently, Unlu Merchant Bank has only discretionary bonus as variable remuneration.

Discretionary Bonus

Bonus is paid on a discretionary basis at a varying percentage of fixed remuneration and takes into consideration the Firm's financial performance and the financial and non-financial performance of the individual in contributing to the Firm's success. All employees are subject to annual performance review prior to a bonus being awarded and conduct checks are also made.

Quantitative Remuneration

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded.

As an SNI firm and in accordance with MIFIDPRU 8.6.8, the Firm is required to disclose the total amount of remuneration awarded to all employees, split into fixed and variable remuneration.

For the performance year ending 31 December 2025, the total amount of fixed remuneration paid to all employees was £592,949, and no variable remuneration was awarded.