

ANNUAL MIFIDPRU DISCLOSURE

FOR THE FINANCIAL YEAR/PERIOD ENDING 31 December 2025

INTRODUCTION

The FCA's prudential regime for MiFID investment firms – the Investment Firms Prudential Regime ('IFPR') – came into force on 1 January 2022.

Turquoise Global Holdings Limited ('TGHL', 'Turquoise', or 'the Company') is a Financial Conduct Authority ('FCA') authorised investment firm with permissions to, *inter alia*, operate an MTF. For the purposes of this disclosure, and for the reference period 2025, TGHL was classified as a non-SNI MIFIDPRU investment firm on the assessment of a series of permission-based and quantitative thresholds.

This annual disclosure statement has been prepared in order to meet the regulatory disclosure requirements set out in the Prudential Sourcebook for MiFID Investment Firms ('MIFIDPRU'). The principle of proportionality per MIFIDPRU 8.1.8R, has been applied where appropriate.

BASIS OF DISCLOSURE

This disclosure statement is prepared on an individual basis solely for the purposes of meeting the disclosure requirements and whilst this statement has not been reviewed by TGHL's external auditor, it has been prepared by Turquoise management using TGHL's audited financial accounts for the year ending 31 December 2025 and has been approved by the TGHL Board.

TGHL OVERVIEW

TGHL operates a Multilateral Trading Facility ('MTF') whereby, through a single connection, members can trade shares, depository receipts, ETFs, and European Rights Issues of 17 European countries and UK, Switzerland and US securities, via an Open Access model that allows members to choose among 3 different central counterparties (CCPs) for clearing on an interoperable basis.

Membership is uniformly open to qualified firms, with members including banks, brokers, specialist trading firms and retail intermediaries. Sponsored Access and Direct Market Access are available to non-member participants. Turquoise participants benefit from fully risk-managed clearing solutions and market surveillance to ensure fair and orderly operations.

GOVERNANCE ARRANGEMENTS

TGHL is governed via a Board of Directors that includes three representatives from London Stock Exchange Group ('LSEG') (including the Chair), two representatives from minority shareholders and one independent director.

A Board Suitability Policy is maintained under which Directors are required at all times to be of sufficiently good repute and possess sufficient knowledge, skills and experience to perform their duties. Regular Board suitability assessments are undertaken to ensure its overall composition reflect an adequately broad range of experiences and the Board remains suitable as a collective to perform their duties.



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Directorships Held

The table below shows the directors of the TGHL Board along with the number of directorships held that are in scope of this disclosure in accordance with MIFIDPRU 8.3.1R(2)¹.

Name	Number of directorships (including TGHL)
A. Wood	1
B. Coward-Talbott	1
R. Leighton (resigned 1 December 2025)	2
B Kellaway	1
Y. Asl (appointed 1 April 2025)	1
B. Kapoor (appointed 20 June 2025)	1
T. Stenhouse	1
D. Mehra (resigned 1 April 2025)	6 (all non-exec)
E Prince (resigned 20 June 2025)	1

Oversight and accountability

To ensure effective governance, the Board's scope of authority along with its respective responsibilities and management of the Company are clearly defined in the Terms of Reference ('ToR'). The Board has overall responsibility for the firm and approves and oversees implementation of TGHL's strategic objectives, risk strategy and internal governance. The business plan and budget are reviewed and approved by the Board each year with progress assessed by the Board on an on-going basis. Day-to-day operations are delegated to management, subject to reporting obligations and specified authorisation limits captured by a Board-approved delegation of authority policy. To ensure compliance with the delegation of authority policy, TGHL operates a strict authorisation process for purchasing, authorising payments, expense management, writing off bad debt and project management spend. Overall executive responsibility rests with the TGHL CEO who reports into, and is accountable to, the TGHL Board for Company activities.

Management of conflicts of interest and segregation of duties

TGHL ensures that any conflicts of interest are identified, effectively managed and prevented from materialising so as to avoid reputational, regulatory or financial impact. The LSEG Conflicts of Interest policy applies to all TGHL employees and directors. It is the responsibility of each LSEG entity to implement and maintain its own appropriate conflict management controls, processes and procedures.

TGHL has documented its processes and procedures for the identification, management, escalation and ongoing monitoring of all identified conflicts. TGHL CEO and Business Management performs ongoing reviews of TGHL's conflicts register and presents any changes together with any recommended controls to the Digital and Securities Markets Risk Committee which also covers Turquoise. On a quarterly basis, the TGHL Board is informed of any new conflicts identified, and any mitigating actions taken as a result.

Diversity

Diversity goals are central to LSEG's strategy. They promote accountability and ensure talent is not overlooked. Various goals have been set in relation to gender, racial and ethnic group diversity. These apply groupwide including being applicable to TGHL.

The TGHL Board maintains a diversity policy which it has reference to in relation to new appointments and ongoing Board suitability assessments.

¹ Note, the restrictions on directorships do not apply to TGHL directors as TGHL is not a 'significant SYSC firm' under FCA rules.

Risk Committee

In accordance with MIFIDPRU 7.3.1R, TGHL is not required to have a risk committee by virtue of meeting the criteria set out in MIFIDPRU 7.1.4R. TGHL Board, however, considers various audit, risk and compliance matters relevant to its responsibilities as a regulated firm. The TGHL Board meets quarterly.

Effective risk oversight is enabled through a governance structure comprised of monthly Turquoise Risk meetings, quarterly TGHL Board meetings and the bi-monthly Digital and Securities Markets Risk Forum and Digital and Securities Markets Risk Committee to promote active discussion, escalation and resolution of risk related issues. The scope of each committee and escalation requirements are articulated in the individual Terms of Reference ('ToR').

RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management Framework

TGHL applies the LSEG Enterprise-wide Risk Management Framework ('ERMF'). The ERMF Policy outlines the minimum standards across the LSEG Group to in order to monitor, oversee and manage risk across the group, including TGHL.

Risk Appetite

Group Risk Appetite is defined as the level of risk that the Group will accept in pursuit of its Strategic Objectives and is determined in line with the Group's Strategy. The Group Risk Appetite is cascaded down to each business unit or entity, such as TGHL, for them to establish their own risk appetite and operate within their own limits, which cannot be greater than the Group Risk Appetite. TGHL management are responsible for maintaining and applying the ERMF to identify and assess risks facing the business, to ensure TGHL operate within the agreed risk appetite.

Risk Appetite statements, metrics and thresholds are developed by the business in consultation with the Risk function. Additional input is obtained from subject matter experts from within the Group as well as external information sources, industry expertise and good practice. The Risk Appetite levels are reviewed and approved by the legal entity Boards. Entity Boards may make changes to the risk appetite levels as appropriate for their entity. The risk appetite is integrated within TGHL's 'Internal Capital Adequacy and Risk Assessment' ('ICARA').

TGHL has a 'very low' risk appetite for a regulated entity's available capital to fall below its regulated capital requirement. TGHL expects to hold appropriate capital within the regulated entities and capital requirements are expected to be subject to quantitative testing in the Group's Stress Testing process.

Risk Register and Risk and Control Assessment ('RCA')

Turquoise maintains a detailed Risk Register, which is updated dynamically and no less frequently than on an annual basis as part of the Risk and Control Assessment ('RCA'). The Risk Register serves as a key input into the annual ICARA review, as part of which the top risks are presented to the TGHL Board.

The RCA is carried out for each LSEG business. The RCA process is an established industry practice and a recognised standard. It is a key tool in ensuring that non-financial risks are identified, assessed and appropriately managed through controls. The process ensures a consistent approach for conducting RCAs across the Group.

For the purposes of this disclosure statement, and for the period ending 31 December 2025, the RCA concluded in June 2025 and was presented to the Board in June 2025. The outputs of the RCA provide a line-of-sight to the Board and management of TGHL through the annual assessment of the control and risk environment, and contains all identified risks associated with the Company, including those relating to functions which it outsources. It is executed by Business Management (the First Line of Defence), compiled and maintained through a collaboration of staff from all functional areas (Global TGHL CEO, Turquoise Business Manager, Business Risk Officer and other outsourced functions) along with review and challenge by the Second Line Risk teams. As part of the RCA, a risk profile is defined for Turquoise (covering TGHL). Although certain strategic and business risks may be descoped from the RCA as defined by the Group process, where relevant they are assessed as part of the Turquoise RCA. The Risk Register is updated as and when a new risk is identified or as new information becomes available. Action plans are tracked and updated in line with the Group Risk Issue Management Standard. The overall process is owned by the TGHL CEO, supported by the Business Management team, Accountable Executive, Business Service Manager, and 1st / 2nd line Risk teams. Regular reporting of the appetite for each risk is performed, and each risk is classified as inside or outside appetite. Where a risk is outside appetite, a number of actions may be taken to reduce the risk, alter the strategy or reassess the appetite. Any risks reported as outside appetite are escalated to the Turquoise Board and would aggregate up to the LSEG Board for Group risks.

Risk Monitoring and Reporting

It is the responsibility of risk owners to understand their risk and control environment and performance of their assigned risks, ensure that risk scores are in line with risk appetite thresholds (as defined within the TGHL Risk Appetite Statement) and that the Risk Register is kept up to date for the risks they own.

TGHL ensures that all material risks are identified, measured and properly reported in line with requirements set out within the ERMF Policy. The harms or risks identified are escalated and reported in a timely and proportionate manner.

Escalation Process

TGHL leverages LSEG's control environment and includes processes such as the Group Risk Event Management policy. This policy outlines the minimum standards, roles and responsibilities and requirements to identify, capture and notify risk events across LSEG. Monitoring, identifying, and responding to risk events is part of the daily roles and responsibilities of every LSEG member of staff.

LSEG adopts a risk event notification matrix, and all risk events must be notified to management in a timely manner to drive actions and ensure an appropriate level of management engagement and oversight is in place.

Own Funds Risk

TGHL's regulatory funding requirement is the amount calculated by the Fixed Overheads Requirement as prescribed by the FCA.

TGHL shall retain own funds as required by MIFIDPRU 4.3.2R as the highest of the following:

1. Permanent Minimum Requirement (PMR) in accordance with MIFIDPRU 4.4;
2. Fixed Overhead Requirement (FOR) calculated in accordance with MIFIDPRU 4.5; and
3. K-factor requirement calculated in accordance with MIFIDPRU 4.6. (Not applicable to TGHL)

In accordance with MIFIDPRU 4.4.3, as TGHL holds the permission of operating a multilateral trading facility it is required to hold a permanent minimum requirement of £150,000.

TGHL's Fixed Overhead Requirements is determined in line with MIFIDPRU 4.5 and is calculated as one quarter of the relevant expenditure of the preceding year which is higher than the permanent minimum requirement. However, this is not deemed to appropriately account for the capital requirements for material risks identified by the Company for operating its business (operational, business, legal and compliance risks). TGHL also considers it appropriate to ensure the cost of winding down is included within the capital requirements and quantified as the sum of incremental wind down costs for TGHL.

Concentration Risk

Concentration risk has limited application to TGHL given it does not act as principal to any transactions, nor hold client money or client assets. TGHL continuously monitors other levels of concentration risk, such as in relation to cash deposits and earnings. TGHL ensures cash deposits are sufficiently diversified. Similarly, TGHL ensures low concentration risk in earnings via broad customer base, diverse jurisdiction of financial securities made available to trade, and variety of order books as well as trading and non-trading (i.e. market data) sources of earnings.

Liquidity Risk

Liquidity Risk refers to the risk that internal cash resources are not appropriately managed to support business objectives. TGHL follows LSEG Treasury Policy with respect to Liquidity Risk. The LSEG Group Policy seeks to optimise the Group's liquidity and manage its financial risks both from a central Group perspective at LSEG and, where appropriate, at a local Company level across the Group.

The Group seeks to maintain a balance between (i) a capital structure that supports an investment grade credit rating and (ii) an appropriate level of operational effectiveness and flexibility. Underlying this overarching approach are the following key principle treasury management objectives:

- Ensure LSEG liquidity requirements are always met
- Management of financial market risk, through regular reporting and forecasting and through the hedging of identified interest rate and FX exposures
- Maintain strong internal controls over treasury banking, systems and the cash resources in each group Company
- Ensure control over processing of treasury transactions. These control objectives are intended to minimise the potential for financial loss from treasury transactions across the Group

TGHL is exposed to liquidity risk to the extent that it would be unable to meet its daily payment obligations. LSEG is required, under policy, to maintain significant committed credit facilities to support its subsidiaries' liquidity requirements including those of TGHL. The central treasury function of LSEG ensures TGHL is therefore in a position on a day-to-day basis to meet all its financial obligations as they fall due. Management monitors forecasts of TGHL's cash flow and overlays sensitivities to these forecasts to reflect assumptions about more difficult market conditions. Internal cash management, including the observance of local regulatory requirements, is a key focus of LSEG's treasury management. Liquidity risk will be managed according to a defined liquidity policy and framework, supplemented by LSEG policy, and TGHL will ensure that the liquid assets remain above its MIFIDPRU liquid asset threshold requirement.

Capital Management Policy

TGHL receives quarterly reporting on its capital position as part of the management information produced by LSEG Finance. TGHL also monitors its capital position through various Key Recovery Indicators ('KRIs'). TGHL management has adopted a formal escalation policy, drawing on the LSEG's Capital Management Policy, to monitor and promptly inform stakeholders of any capital requirements, allowing adequate time to allow mitigation.

More generally, the LSEG Financial Risk Committee reviews, challenges and monitors the overall financial risk profile of the Group including, inter alia, in relation to the capital position of the Group. In order to fulfil this responsibility.

- It may require for review a regular report of activities from Group Finance.
- It may require for review a report on the capital activities and adequacy of any entity within the scope of the Capital Management Policy.

OWN FUNDSComposition and Own Funds Held

Pursuant to MIFIDPRU 8, TGHL is required to disclose:

- a. A reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the Own Funds of the firm (**Table 1**).
- b. A reconciliation of 1 (above) with the capital in the balance sheet in the audited financial statements of the firm (**Table 2**).
- c. A description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm (**Table 3**).

Table 1

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements)
1	OWN FUNDS	26,639	
2	TIER 1 CAPITAL	26,639	
3	COMMON EQUITY TIER 1 CAPITAL	26,639	
4	Fully paid-up capital instruments	14,000	Ordinary share capital
5	Share premium	6,581	Share premium
6	Retained earnings	(11,239)	Accumulated losses
7	Accumulated other comprehensive income		
8	Other reserves	30,334	Other reserves
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	13,037	Intangible assets, deferred tax asset, investment in subsidiary
19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Table 2

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
	a	b	c
	Balance sheet as in published/audited financial statements Amount (GBP thousands)	Under regulatory scope of consolidation	Cross-reference to table 1
	As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1 Intangible assets	29		Row 11
2 Deferred tax assets	1,836		Row 11
3 Investments in subsidiary undertakings	11,172		Row 11
Total Assets	13,037		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
Total Liabilities	n/a		
Shareholders' Equity			
1 Ordinary share capital	14,000		Row 4
2 Share premium	6,581		Row 5
3 Other reserves	30,334		Row 8
4 Accumulated losses	-11,239		Row 6
Total Shareholders' equity	39,676		

Table 3

Own funds: main features of own instruments issued by the firm
All own instruments are issued, called up and fully paid Ordinary shares of £1 each

Financial Adequacy

TGHL carries out stress and scenario testing to assess whether capital and liquid assets would remain adequate. TGHL performs stress testing to consider the potential impact of certain adverse circumstances on the business. This forms an important element in the firm's capital and liquidity planning and risk management processes, helping to identify, analyse and manage risks as well as provide assurance to the Board and shareholders.

Scenario planning has input from the CEO, Business Manager/Risk officer, and outsourced functions including Finance, Group Risk, Compliance, Market Operations and Technology. The TGHL Risk Register is used as a key input.

In line with good risk management practice, TGHL also conducts a proportionate amount of reverse stress testing modelling to show its likely effects.

REMUNERATION POLICY AND PRACTICES

Remuneration policy and practices

This disclosure covers remuneration awarded in respect of the financial period from 1 January to 31 December 2025.

▪ Remuneration Governance

The LSEG Remuneration Committee (the Committee) has responsibility to oversee the Group's remuneration policy and structures for all employees of the Group, including those of TGHL. The Committee, which meets regularly each year, is appointed by the LSEG Board and comprises only independent Non-Executive Directors (NEDs). No individual is involved in decisions concerning their own remuneration.

The Committee's written Terms of Reference are reviewed regularly by the LSEG Board, and available on the Corporate Governance section of the Group's website [here](#). Willis Towers Watson provided independent advice to the Committee until 30 April 2025, thereafter PwC was appointed to provide such advice. The TGHL Board adopts and oversees the Group remuneration policy with development and review supported by control functions, HR and business management, and implementation subject to a central and independent annual review.

▪ Identification of Material Risk Takers (MRTs)

TGHL identifies MRTs in line with the criteria of the Remuneration Code, including: (i) members of the TGHL Board; (ii) members of senior management of TGHL; (iii) heads of control functions (risk, compliance and internal audit); (iv) individuals responsible for the prevention of money laundering and terrorist financing; (v) individuals responsible for managing material risks; and (vi) other roles with a material impact on TGHL's risk profile.

For the financial year ended 31 December 2025, the number of staff identified as MRTs was 14.

▪ Remuneration Policy and Principles

In determining its remuneration policies, TGHL monitors developments in the wider marketplace and continues to consult and work with key stakeholders (including regulators and the Committee) on key decisions. The remuneration policy is gender-neutral and does not discriminate on the basis of the protected characteristics of an individual. TGHL aims to reward all employees fairly, regardless of job function, race, religion, colour, national or ethnic origin, sex, sexual orientation, marital status, pregnancy, maternity, disability or age. The policy complies with all relevant legal and regulatory frameworks (including applicable tax laws and the Equality Act 2010).

It is TGHL's policy to operate competitive remuneration policies to attract, retain and motivate an appropriate workforce for its ongoing success. TGHL is committed to ensuring that remuneration practices are aligned to performance, promote sound and effective risk management, do not encourage excessive or inappropriate risk taking, and align with corporate strategy and the long-term interests of TGHL and LSEG.

The Group operates a single aligned global Reward Framework creating a transparent, performance-driven approach. Remuneration arrangements may comprise fixed pay (salary, pension and benefits) and variable pay (annual bonus, commission plans and share-based long-term incentives), as well as guarantees, retention awards, buy-outs and severance pay, where applicable. Remuneration is scaled by seniority, with an appropriately balanced fixed and variable mix with defined and capped maximum variable remuneration opportunities at each grade.

Remuneration outcomes take account of both financial and non-financial considerations and are subject to appropriate risk adjustment. Where relevant, variable remuneration may be reduced or subject to malus or clawback to reflect conduct, risk management outcomes and long-term performance, in line with the requirements of the MIFIDPRU Remuneration Code. NEDs do not receive variable remuneration for their roles.

▪ Variable Remuneration

The Committee approves the Group bonus pool funding, including the measures, targets and weightings. The Group bonus pool is based on performance weighted 60% against Group Adjusted Operating Profit (AOP), 15% against

Future Growth and 25% against Group Strategic Objectives (GSOs), including risk management metrics such as Resilience. Individual bonuses reflect both Group performance and individual performance assessed against contribution to the strategic objectives, including risk objectives, role-related goals and expected LSEG behaviours, taking into account both what has been achieved and how it has been delivered. All bonuses are discretionary and poor performance, behaviours or risk management can result in a reduced or zero bonus.

For Group Leaders, 40% of the annual bonus is deferred into LSEG plc shares, vesting in equal tranches over three years. Share-based LTIs include Restricted Share Awards for Group Directors (vesting over three years), and Performance Share Awards for Group Leaders, with three-year performance conditions based 60% on Group Adjusted Earnings Per Share (AEPS), 20% on relative Total Shareholder Return (TSR) against the FTSE 100 and 20% on relative TSR against global sector peers. The Committee approves the award and vesting of all LTIs.

Variable remuneration is subject to malus and, where legally possible, clawback for up to three years following payment. Triggers include (i) material misstatement or restatement; (ii) negligence, fraud or serious misconduct; (iii) significant reputational damage; (iv) material adverse financial impact; (v) material risk management failure; (vi) breach of the Group's Code of Conduct; (vii) error in assessing performance conditions; or any other circumstances that the Committee deems to be similar in nature or effect to those above.

Guaranteed variable remuneration is only permitted in exceptional circumstances, in the context of hiring, limited to the first year of service, and subject to TGHL maintaining a strong capital base. Severance is determined by contractual and statutory requirements and is structured not to reward failure or misconduct.

For the financial year ended 31 December 2025, guaranteed variable remuneration was awarded to one MRT in line with the circumstances detailed above.

▪ **Aggregate Quantitative Information (Senior Management and MRTs)**

TGHL relies on MIFIDPRU 8.6.8R(7) and has aggregated the information for senior management and other MRTs and exempting the disclosure of severance payments, to avoid disclosing individual remuneration. Where MRTs perform a service to the subsidiary as part of a broader Group role, remuneration is apportioned based on their time allocated to the subsidiary.

Aggregate remuneration amounts for the year ended 31 December 2025 are set out below:

£'000	Fixed remuneration	Variable remuneration	Total remuneration
MRTs	525	130	655
Other Staff	131	28	159
TOTAL	656	158	814



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