Remuneration Policy

Last amended Q1 2024

Purpose

This Remuneration Policy (the "Policy") has been drafted in line with the Investment Services Rules for Investment Services Providers, Part BI: Rules Applicable to Investment Services Licence Holders which qualify as MiFID Firms (the "Rules") and the Conduct of Business Rulebook (the "Rulebook").

The Policy has been drafted to outline the Company's practices which promote effective risk management and do not encourage excessive risk-taking which are inconsistent with the risk profile of the Company and its clients. Furthermore, the Policy outlines the practices followed by the Company to ensure compliance with its duty to act in the best interest of its clients.

The Policy covers the remuneration which is paid in exchange for professional services rendered by the Company's Identified Staff. This includes all forms of payments and benefits paid by the Company.

Remuneration can be divided into fixed remuneration (i.e. payments or benefits without consideration of any performance criteria) or variable remuneration (i.e. additional payments or benefits depending on performance or other criteria). Both fixed and variable components of remuneration may include monetary payments or benefits (including but not limited to cash, shares, options, cancellation of loans to staff members at dismissal or pension contributions). Ancillary payments of benefits that are part of a general, non-discretionary, Company-wide policy and pose no incentive effects in terms of risk assumption do not form part of this definition of remuneration for the purposes of the Company's specific risk alignment remuneration requirements.

Identified Staff

The Policy applies to those categories of staff which are classified as Identified Staff.

The Company adopts the definition of Identified Staff in accordance with ESMA Guidelines, i.e. categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Company's risk profile (the "Identified Staff").

The following table outlines the Identified Staff of the Company which have been determined and selected on the basis of their categories, in line with the ESMA Guidelines:

Category	Identified Staff
Members of the Governing Body	Board of Directors
Control Functions	Compliance Officer
Other Risk Takers	Investment Advisor

Principle of Proportionality

The Company complies with the remuneration requirements in a way and to the extent that is appropriate, based on its size, internal organisation and the nature, scope and complexity of its activities.

The Company is not required to have in place a Remuneration Committee, as it does not meet the criteria set out under point (a) of Article 32(4) of the Directive (EU) 2019/2034 of the European Parliament and of the Council of 27th November 2019 (the “Investment Firms Directive” or “IFD”).

The Company shall re-assess the proportionality principles on a regular basis, and at least on an annual basis, and notify the MFSA should there be a material change.

Remuneration Structure

Total Remuneration

Fixed and variable components of total remuneration must be appropriately balanced. The fixed component must represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components including the possibility to pay no variable remuneration component.

In determining the appropriate ration between the base remuneration and variable remuneration, the Company will have regard to:

- The level of pay required to keep and attract, experienced and qualified employees;
- The Company’s fixed overhead requirement;
- Any arising financial obligations; and
- Individual/team performance.

Base Remuneration

The fixed remuneration is determined on the basis of the role of the individual employee, including their responsibilities and job complexity, performance and local market conditions. This also implies that fixed remuneration should be sufficiently high to remunerate the professional services rendered, in line with the level of education, job experience, the degree of seniority and the level of expertise and skills required.

The fixed remuneration must be sufficiently high on its own (without taking into consideration the variable component) to ensure fair remuneration for the professional services rendered by the prevailing market standards.

The performance review may lead to an increase of the fixed remuneration of an individual employee based on the attainments of agreed targets and/or higher salaries justified by higher level of responsibilities and/or change in industry standards and/or other criteria as may be determined by the Company from time to time.

Variable Remuneration

When remuneration includes a variable element, it shall be performance based and risk-adjusted. The variable remuneration should be reasonable and structured in a way to achieve a fair balance between fixed and variable elements, and in-line with the business strategy, market condition and the specific environment in which the Company operates. The maximum limit of variable component of remuneration should, in principle, not exceed the fixed remuneration.

In determining the size of variable component of remuneration, the following shall be taken into consideration:

- The remuneration required to retain qualified and experienced staff;
- The capital requirements;
- Any potential liabilities; and
- The Company's liquidity requirements.

Variable remuneration must not be paid through vehicles or methods that facilitate the avoidance of the Remuneration Provisions.

The Company does not commit to pay variable remuneration to its employees.

Guaranteed Variable Remuneration

The Company shall not enter into agreements to pay guaranteed variable remuneration. The only exceptions to this rule are where such a payment:

- Is exceptional;
- Occurs in the context of hiring staff; and
- Is limited to the first year of service.

Any remuneration package relating to compensation for, or buy out from, an employee's contracts in previous employment is to be aligned with the long-term interest of the Company, and will be subject to the employee meeting specified objectives.

In determining whether to offer guaranteed variable remuneration, the Board of Directors will have regard to the individual's qualification and experience, the Company's need for an individual with such experience and the likely impact on the Company. Consideration may also be made vis-à-vis the strength of the capital base.

In exceptional circumstances, the Company may offer key members of staff a one-off retention award, Any decision to offer such a payment must be approved by the Board of Directors and will only be made on prudential grounds.

Assessment of Performance

The Company will ensure that individuals are not remunerated for exceeding the risk tolerances of the Company or its clients.

In establishing the Company's top-down remuneration framework, the Board of Directors will take into consideration:

- The overall results of the Company'
- The performance of the business units; and
- The performance of the individual (both financial and non-financial performance).

While each of the aforementioned criteria shall be considered in performance assessments, variable remuneration shall be based primarily on the attainment of function-specific objectives. The Board of Directors also reserves the right to take into account additional criteria on a case-by-case basis.

The appropriate mix of quantitative (financial) and qualitative (non-financial) criteria for assessing individual performance will depend on the tasks and responsibilities of the Identified Staff. A balance between financial and non-financial criteria will be sought. Poor performance in relation to the non-financial criteria may pose a threat to the Company, and hence the negative non-financial performance, in particular, unethical or non-compliant behaviour, will override any good financial performance generated by the individual and hence reduce the entitlement for variable remuneration.

In order to incentivise Identified Staff to manage risk appropriately, variable remuneration will be reduced when:

- There is reasonable evidence of misbehaviour or material error by the individual; or
- There has been a material risk management failure by an individual member or group of Identified Staff.

The Company's qualitative criteria may include:

- Achievement of strategic targets;
- Investor/client satisfaction;
- The extent of the individual's adherence to effective risk management;
- Compliance with the regulatory requirements and the Company's own policies and procedures;
- Leadership;
- Teamwork;
- Motivation; and
- Cooperation with other functions/departments.

Measures relating to conduct should comprise a substantial portion of non-financial criteria.

The Company's quantitative measures may include:

- Assets raised;
- Internal Rate of Return;
- Earnings before Interest, taxation, depreciation and amortisation;
- Alpha ratio;
- Absolute and relative returns; and
- Share Ratio.

On the other hand, quantitative measures such as Return on Equity, Total Shareholder Return and Earnings Per Share are not suitably adjusted for longer-term risk factors and tent to incentivise highly leveraged activities.

Control Functions

The Company seeks to ensure that individuals involved in Control Functions remain independent from the business areas they oversee to avoid any potential conflicts of interest. The remuneration level of those in the Control Functions should allow the Company to employ qualified and experienced individuals in these functions.

The remuneration attributed to the Control Functions is directly overseen by the Board of Directors of the Company, since the Company has not established a Remuneration Committee on the principle of proportionality.

In order to avoid potential conflict of interest, the remuneration of those in the Control Functions shall be determined in accordance with the achievement of function-specific objectives, which are linked to their functions and independent of the business areas that they oversee.

The remuneration of the Control Functions shall be linked to the Company's adherence to its risk profile, provided that any discretionary bonuses to the Control Functions shall be determined primarily by the attainment of their function-specific objectives, and shall not be determined solely to the Company-wide performance criteria.

Remuneration and Capital

The Company calculates its ongoing capital requirements through the Finance Function.

The monitoring of the Company's adherence to its ongoing capital requirements is also reviewed at each Board meeting by the Board of Directors. In coordination with this review, the Board of Directors determines the size of the variable remuneration based on the assessment of each individual member of the Identified Staff and any other considerations that it may deem relevant. This will take into consideration:

- The Company's regulatory capital requirement;
- The revenues which have been received in cash;
- Any revenues which have not yet been received but guaranteed;
- Business cycles; and
- Deferred variable remuneration payments.

It is important to ensure that the Company maintains a prudent balance between a sound financial situation and the reward, pay-out or vesting of remuneration. The financial health of the Company should not be adversely affected by:

- The overall pool of variable remuneration that will be awarded for that year; and
- The amount of variable remuneration that will be paid or bested in that year.

The Company's employment contracts are sufficiently flexible to allow the Company to vary the date of any variable remuneration payments or cease to make any such payment. The Company ensures that any payment of variable remuneration only occurs following risk adjustments to profits and where the Company is not at risk of being unable to maintain a sound capital base.

The maximum annual variable remuneration that may collectively be paid to Identified Staff shall be the Company's profit for the preceding year less any amounts determined by the Board of Directors to be held as a reserve (the "Variable Remuneration Pool"). Any reserves established shall be in order to strengthen the Company's capital base, taking into consideration the various risks to which the Company and its clients are exposures and other potential adverse developments that may impact the Company's financial stability.

The Board of Directors shall determine and document any profit which shall be allocated to the Variable Remuneration Pool.

The Board of Directors may determine to disburse the entire Variable Remuneration Pool or none of it. Similarly, the Board may, at its sole discretion, decide not to award variable remuneration to any member of identified staff where it feels this is not justified.

SFDR Principles

The Sustainable Finance Disclosure Regulation ("SFDR") requires the Company to include in this Policy information on how the Policy is consistent with the integration of sustainability risks.

As outlined throughout this Policy, no variable remuneration shall be paid to Identified Staff unless it is determined to be justified by the Board of Directors following a performance assessment based on quantitative (financial) as well as qualitative (non-financial) criteria. Considering the very limited impact of the variable remuneration of the Identified Staff on the risk profile of the Company's clients and the nature of business of the Company, the Company deems that there is no risk of misalignment with the integration of the sustainability risks within the Company's services.

Payments Related to Early Termination

Any payments relating to the early termination of a contract must reflect the individual's performance over time, and should not be designed to reward failure or misconduct.

In reviewing an individual's performance, the Company will have regards to both financial and non-financial performance and any adjustments must be approved and documented by the Board of Directors. The Company will ensure that any payment does not have a material impact on its capital or liquidity requirements.

Personal Investment Strategies

The Company is committed to ensure the effectiveness of its policies and procedures designed to only reward employees acting within the Company's risk tolerances and to ensure that the Company is adequately capitalised with sufficient liquidity of assets. The terms of any deferred remuneration will include a clause to the effect that any deferred remuneration is subject to recipients agreeing not to undertake any personal hedging strategies or taking out contracts of insurance, that undermine the risk alignment effects embedded within the contracts.

All Identified Staff are required to undertake to the Company in writing that they will comply with the above principle and the Company's Policy on hedging strategies in case of payment of deferred and retained variable remuneration. An email from each member of the Identified Staff will suffice for this purpose. Any employee found to be in breach of these provisions will be required to repay any variable remuneration paid for the year and will be subject to disciplinary action.

Management of Conflicts of Interest

This Policy has been drafted in a way to mitigate any possible conflicts of interest as much as possible.

The Company has additionally implemented a Conflicts of Interest Policy aimed at addressing any conflicts that may arise between its officials and the clients, between the officials and the Company and between one or more clients. The Company also maintains a Conflicts of Interest Register which, if any, will identify any remuneration conflicts and the procedures the Company implements to mitigate these conflicts.

As a means of last resort, where the Company's arrangements to manage conflicts are inadequate, or have failed to manage the potential risk, the Company shall clearly disclose the general nature or sources of conflict of interest to its clients.

Transparency

External Disclosure

Without prejudice to confidentiality and data protection provisions, the Company should disclose detailed information regarding its Policy and practices for Identified Staff. Such information should be disclosed in a clear and easily understandable way to relevant stakeholders.

The Company shall also include information on how this Policy is consistent with the integration of sustainability risks and shall include such information on its website.

The following information should be disclosed, however, the level of information to be disclosed should be made on a proportionate basis, and the overall remuneration proportionality principle applies to the type and amount of information disclosed:

- Information concerning the decision-making process used for determining the Policy, including if applicable, information about the composition and the mandate of a remuneration committee and the role of relevant stakeholders;
- Information on linkages between pay and performance;
- Information on the criteria used for performance measurement and the risk adjustment;
- Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based; and
- The main parameters and rationale for any annual bonus scheme and any other non-cash benefits.

This information will be disclosed in the Company's annual report, through a separate remuneration policy statement, or in any other form that the Company deems appropriate.

Internal Disclosure

This Policy shall be distributed to all Identified Staff. The Company shall ensure that the information regarding the Policy disclosed internally reveals at least the details which are disclosed externally. Identified Staff should be informed in advance of other criteria that will be used to determine their remuneration which are not included in this policy except for any confidential quantitative considerations. The performance assessment process and the importance of non-financial assessment factors in the process should be clearly explained to relevant employees.