



Remuneration Policy

Regulatory Background and Remuneration Principles

The terms of Mori Capital Management Limited's (Mori's) Remuneration policies and practices have been prepared in accordance with:

1. The ESMA Guidelines on Sound Remuneration Policies, to be replaced by the finalised ESMA Remuneration Guidelines once issued.
2. Regulation (EU) 2019/2088 of the European Parliament and the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).

In addition, Mori's remuneration policies and practices shall comply with Mori's own internal policies and procedures, which establish the following key principles in line with regulatory standards:

- I. Harmonised with the integration of sustainability risks and business strategy, objectives, values and long-term interests of Mori.
- II. Are consistent with and promote sound and effective Risk Management.
- III. Incorporate measures to avoid Conflicts of Interest.
- IV. Recognise appropriate remuneration limits for employees whose professional roles may have a substantial impact on the risk profile of Mori.
- V. Do not encourage risk-taking that exceeds the level of tolerated risk of Mori;
- VI. Disclose qualitative and quantitative remuneration policies.

Applicability of Remuneration Principles

Mori's remuneration policies and practices are reviewed annually by the Members of the Board who have experience in risk management and remuneration. The Compliance Officer also reviews annually the implementation of the remuneration policy. Both the Board and the Compliance Officer take into account Mori's business model and the risks it faces when applying the proportionality principle. Given the limited size, scope and nature of Mori's activities, certain rigid provisions related to Remuneration (*i.e., retention or deferral of variable remuneration, deferral of remuneration and/or drawings over a period of time or payment of a portion of remuneration and drawings in instruments*) were not deemed to be applicable to Mori's operations.

Identification of Remuneration Staff



The identified staff who have a material impact on the Company are:

- I. Executive and non-executive members of Mori's governing body, and executive and non-executive Directors;
- II. Portfolio Manager;
- III. Chief Operations Officer;
- IV. Risk Officer;
- V. Compliance Officer;
- VI. MLRO

Due to Mori's small size, it is not deemed necessary to set up a remuneration committee. The Board has identified all of its staff professional activities as having a material impact on their risk profile. Thus, all of Mori's staff are provided with a copy of this document on an annual basis.

Remuneration Policies

When deciding on the amount of remuneration and/or discretionary drawings to be paid to every member of staff, the Board shall take into consideration the elements listed below:

- I. **Individual Staff Contribution and Ownership of Responsibility** which generate positive results for Mori must be looked at over a multi-year period.
- II. **Competitive or above General Market Level Base Salaries and Drawings** are justifiable and essential to Mori's success when attracting and retaining valuable staff members.
- III. **The Reliability** of each individual staff member to get the job done with supervision appropriate to their experience.
- IV. **Mori's Financial Success** shall be shared by all effective staff members. At the same time, Mori's financial failures would result in a fall or no discretionary distributions to all staff members.
- V. **Consistent with Mori's Sustainability** in the long term. Whilst remuneration is ultimately performance related, performance shall be examined from a risk adjusted approach. Investment strategies and/or work practices that result in adopting levels of risk that can potentially threaten the long term sustainability of Mori, its Clients or the investee companies, shall be actively discouraged and will not be rewarded during the remuneration evaluation process, even if such high risky strategies/practices generate positive returns in the short term.



Remuneration Alignment

Mori has considered the impact of remuneration policies on its capital requirements, RMICAAP and monitoring programme. Any bonuses and discretionary drawings shall only be paid out by Mori to staff members once all capital and liquidity regulatory requirements are satisfied and fees are collected. Mori has applied principles of proportionality when implementing its remuneration policies in order to meet core regulatory objectives without creating undue administrative overheads or complexities.

Staff members are remunerated in two different manners:

- I. the basic **fixed remuneration** reflects relevant professional experience and organisational responsibility, as set out in an employee's job description as part of the terms of employment; and
- II. the **variable remuneration** reflects a sustainable and risk appropriate performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

The fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration.

The Company's remuneration for the directors is such that one director is paid a fixed remuneration for their services.

The total variable remuneration shall not limit Mori's ability to strengthen its capital base. In fact, the variable remuneration accounts for all types of current and future risks. Furthermore, the variable component shall not exceed 100% of the fixed component of the total remuneration for each individual, with the exception of Directors who are not entitled to any variable remuneration.

Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the individual's performance, the assessment of the performance of the business unit concerned and the overall results of Mori. Financial and non-financial criteria are taken into account.

The assessment of the performance is set in a multi-year framework in order to ensure that the assessment process is based on longer-term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of Mori's underlying business cycle and its business risks.

Disclosure

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Mori will comply with the disclosure requirements set out in the applicable national and supranational regulations, including SFDR. The total amount of remuneration for the financial year paid by Mori to its identified staff and any material changes to the Remuneration Policy will be disclosed in Mori's annual audited financial statements.

Appropriateness of policy and conflicts of interest

Given its internal organisation and the limited nature, scaled and complexity of the Company's activities, it is considered that the policies described in this document are appropriate for the Company. Together with Mori's Conflicts of Interest Policy, Mori's management board considers that there are suitable measures in place to promote effective supervision and risk management, including the integration of sustainability risk.

9 March 2021