

Merill SICAV plc Remuneration Policy

Policy governance and administration

Last updated by board/remuneration committee: 03.2021

To be reviewed annually by the Compliance Officer

Accountability: Board of Directors

1. Overview and scope

The remuneration policy and remuneration practices are established, implemented and maintained in line with the Company's business and risk management strategy and profile and the long term interests of the Company. In particular, this policy does not encourage risk taking that exceeds the risk tolerance limits of the Company.

The Compliance Officer is responsible to support the Board of Directors in overseeing the overall remuneration policy, remuneration practices and their implementation and operation.

This policy is designed in line with remuneration and conflicts of interest requirements specified under Directive 2014/65/EU (MiFID II), Directive 2014/91/EU (UCITS V), Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) as well as ESMA and MFSA guidelines.

Any review of this policy is tabled during the Risk and Regulatory Committee meetings, and eventually presented and approved by the Board of Directors of Merrill SICAV plc.

2. Definition of remuneration

In line with MiFID II Directive, remuneration is defined as:

"All forms of payments or benefits provided directly or indirectly by firms to relevant persons in the provision of investment and/or ancillary services to clients. It can be either financial (such as cash, shares, options, cancellations of loans to relevant persons at dismissal, pension contributions, remuneration by third parties e.g. through carried interest models, wage increases) or nonfinancial (such as career progression, health insurance, discounts or special allowances for car or mobile phone, generous expense accounts, seminars in exotic destinations, etc)."

3. Objectives

This document sets out the remuneration policy of the Company, including the principles governing how the Company remunerates the identified individuals. The objective of the Remuneration Policy is to:

- ensure that the Company's remuneration policy is consistent with and promote sound and effective risk management principles ensuring common, uniform and consistent application of the provisions on remuneration in UCITS V;

- ensure that practices do not encourage excessive risk taking as compared to the investment policy of the relevant UCITS, the risk profile of the relevant UCITS and to act in the best interest of clients;
- develop, implement and maintain a culture of ensuring the client's best interests are met;
- be in line with the business strategy, objectives and values of the Company; and,
- enable the Company to align the interests of the UCITS and their investors with those of management and other stakeholders.

4. Identified Staff

As per the definition of the UCITS Directive, "Identified Staff" includes senior management, risk takers, control functions and other employees in the same remuneration bracket, whose professional activities have a material impact on the Company's risk profile. The Fund considers the Board of Directors and the Investment Committee members to fall under the definition of "Identified Staff".

5. Policy Rationale

The UCITS Regulations require SICAVs such as Merill to have in place remuneration policies and practices for those certain categories of staff of the Company whose professional activities have a material impact on the risk profile of the SICAV (the "Identified Staff").

The Company does not currently have any employees and the Board of Directors of the SICAV and Investment Committee members, are currently the only remunerated individuals directly remunerated by the Fund.

Other key functions such as Risk Management, Portfolio Manager, MLRO and Compliance are regulated by separate agreements. The Risk Management and Portfolio Management tasks are set within the Investment Management Agreement between Merill SICAV plc and JMFA, while the Compliance tasks are regulated by means of a secondment agreement between the Fund and JMFA. With respect to the MLRO of the SICAV, Mr Jesmond Mizzi was appointed and duly approved by the MFSA. Therefore, these function do not fall within the scope of this remuneration policy.

Additionally, there is no variable remuneration involved within Merill SICAV plc and all amounts paid are predetermined as specified in Annex 1 to this policy. Should the Company introduce variable remuneration components, it will ensure that the fixed remuneration is sufficiently higher than the variable component

6. Sustainability Risk Integration

The Company is committed to ensuring that its policies and procedures are rewarding employees that act within the Company's objectives and risk tolerances. As explained earlier, the Company has no employees and the only remunerated individuals are the Board of Directors and the Investment Committee members. The Company, however, acknowledges that members involved in the operational part of Jesmond Mizzi Financial Advisors Limited, as the investment manager of Merill

SICAV plc are duly regulated by the remuneration policy of the former. The Company is aware that staff members involved in the operational part are duly monitored by an ESG Committee.

Annex 1 – Remuneration and Expenses

A. Remuneration and Expenses of Directors

The Directors of the Company shall receive for their services as Directors such remuneration (which may include benefits in kind) as may be determined by the Company in general meeting from time to time, which remuneration may be waived (in whole or in part) by any one or more Directors. Accordingly, the remuneration due to each Director may vary and may change from time to time. However, the fees payable to all Directors for the period commencing on the date of incorporation of the Company and ending on the conclusion of the annual general meeting of the Company shall not exceed euro sixty thousand (€60,000) per annum (plus VAT, if applicable) in the aggregate. The capping of €60,000 shall be reviewed by the founder shareholders every three years.

For the avoidance of doubt, such remuneration shall not include (and shall be separate from and in addition to) any remuneration payable to a Director for holding any executive office or employment under the Company or for any services other than those arising from his office as Director, which remuneration shall, in terms of the Articles, be decided by the Board.

The Directors will be entitled to be repaid by the Company reasonable out of pocket expenses (such as travelling, hotel and other incidental expenses) properly incurred by them in attending meetings of the Directors or of any committee thereof and general meetings of the Company and in attending to other business of the Company and otherwise in the performance of their duties.

B. Remuneration and Expenses of Investment Committee members

The Investment Committee members may receive, for the performance of their respective investment management services pursuant to the terms of reference adopted by the Board, a fee which shall be fixed by the Board from time to time, which fee may be waived (in whole or in part) by any one or more of such members. Accordingly, the remuneration due to each member of the Investment Committee may vary and may change from time to time.

The current fee is fixed at euro ten thousand (€10,000) per annum, for each of Mr. Jesmond Mizzi, Mr. John Catania and Dr Mark Azzopardi, who have however waived the same for the time being until further notice to the Company, and euro two thousand five hundred (€2,500) per annum for Mr. Gianmarco Guadalupi.

The Investment Committee members will be entitled to be repaid by the Company reasonable and properly documented out-of-pocket expenses incurred in connection with their investment management services (including those incurred in travelling on business of any of the Funds, and fees, commissions and reimbursements paid to third party experts appointed by them pursuant to the terms of reference), provided that such expenses are authorised by the Board.