

Ezdan Holding Group Q.P.S.C.

Remuneration Policy

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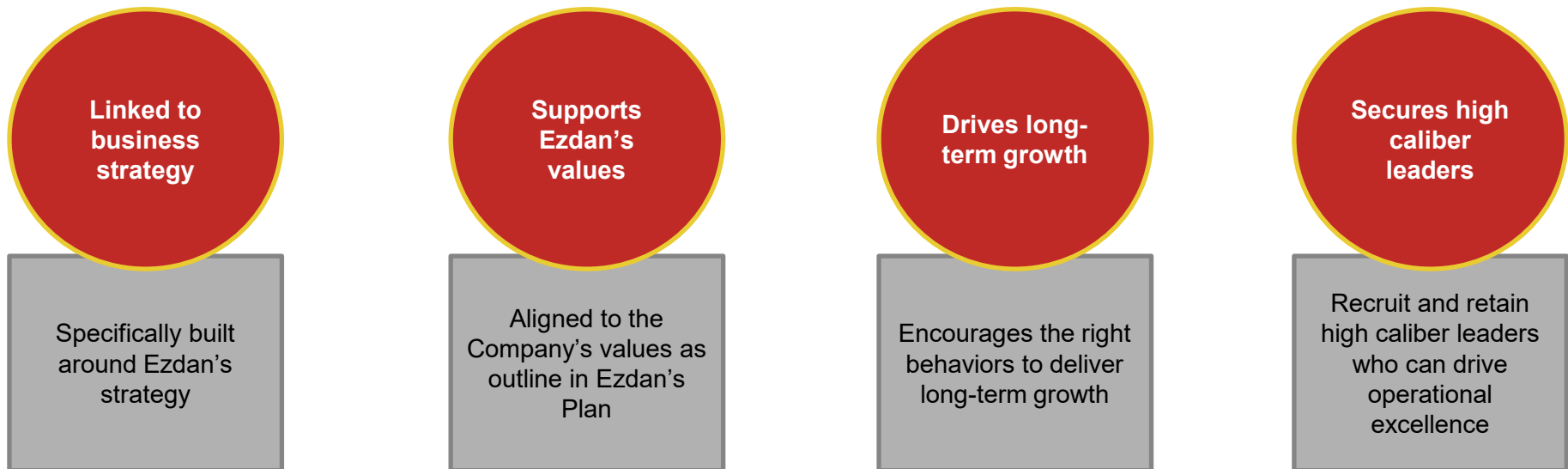
Definitions

BoD, Board or Director(s) Committee CPI Independent Board Member	Board of Directors of the Company, of those in charge of managing the Company Nomination and Remuneration Committee Company Profitability Index A Board member, who has complete independence, A Board member shall be considered non-independent, if he or she, for example but not limited to: <ol style="list-style-type: none"> 1. Owns at least (1%) of shares of the Company or any company of its group. 2. Is a representative of a legal person that owns at least (5%) of shares of the Company or any company of its group. 3. Has been one of Senior Executive Management of the Company or any company of its group during the Year preceding Board election. 4. Has a first-degree relative relation with any Board member or Senior Executive Management of the Company, or any company of its group. 5. Is a Board member of any company within the Company group in which nominated for its Board membership. 6. Has been an employee, during the Year preceding Board election, at any of the parties associated with the Company or any of its group such as External Auditors, and main suppliers, or if such member, during the two Years preceding the Board election, had controlling shares in any such party. 7. Has, directly or indirectly, any commercial or financial dealings with the Company or any company of its group during the two Years preceding Board election.
KPI No. Senior Executive Management the Company or Ezdan	Key Performance Index Number Chief Executive Officer (CEO) and other executive managers reporting directly to him, including heads of the internal control units in the Company Ezdan Holding Company Q.S.C

Remuneration Principles

Ezdan's objective is to have a fair, equitable and competitive total reward package that supports its vision of being the most trusted public shareholding company, encourages employees to perform in ways that deliver great service for customers, drives revenue and provides opportunities for employees to share in Ezdan's success. This overall reward strategy is the foundation for the remuneration policy.

The over-arching objectives of the remuneration policy are to ensure rewards are performance-based. The remuneration policy is based on the following principles:



Board of Directors Remuneration Policy

General

The Directors shall receive remuneration for performing the duties corresponding to them by virtue of belonging to the Board of Directors as the Company's appointed decision-making body.

The remuneration for Directors in their capacity as such shall consist of a fixed annual amount.

The Directors annual remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of dividends (in cash and in kind) to shareholders.

Remuneration for each Director for their position shall be determined by the Board of Directors after taking into account the Nomination and Remuneration Committee recommendation, which, for this purpose, shall take into account the duties and responsibilities attributed to each director, their position on board committees, annual performance assessment and any other objective circumstances considered relevant.

The Board of Directors and the Nominations and Remuneration Committee shall adopt all the measures in their scope to ensure that the Independent Directors' remuneration conforms to their actual dedication and provides incentives for their dedication, but which must not be an obstacle to their independence.

General Principles and Criteria of the Remuneration Policy

The principles and criteria for the Director remuneration policy are permanently reviewed by the Nominations and Remuneration Committee and the Board of Directors within the framework of their powers to maintain the alignment of the Company's remuneration policy with the best practices and trends in the market.

Therefore, the Directors' remuneration for exercising their supervision and decision-making functions is based on the following main principles:

- The remuneration must be sufficient and conform to the Directors' dedication, qualification and responsibilities but it must not compromise their independent criteria.
- The remuneration must be sufficient to attract and retain Directors with the talent and profile desired by the Company.
- The remuneration must be competitive, which is achieved by establishing a remuneration package in line with market standards of comparable sectors and companies.

Senior Executive Management Remuneration Policy

Base Salary

Purpose and link to strategy

- Core element of remuneration used to attract and retain executives who can deliver Ezdan’s strategic objectives.

Operation

- Typically reviewed annually in March.
- Consideration is given to a number of internal and external factors including business and individual performance, role, responsibilities, scope, market positioning, inflation and QSE comparator which are considered to be of a similar size and market capitalization to the Company.

Opportunity

- Salary increases (in percentage of salary terms) for Senior Executives will normally be within the range of those for the wider workforce. Maximum cap increase of 8% per annum.
- Where the Nomination and Remuneration Committee considers it necessary and appropriate, larger increases may be awarded in individual circumstances such as:
 - A change in scope or responsibility;
 - If a new Executive Director is appointed at a lower rate and the salary is realigned over time as the individual gains experience in the role; or
 - Alignment to market level.

Performance details

None

Senior Executive Management Remuneration Policy (Cont'd)

Benefits

Purpose and link to strategy	– Competitive benefits to assist in attracting and retaining executives.
Operation	– A range of benefits may be provided including, but not limited to, the provision of company car benefits (or cash equivalent) and private medical cover. The Nomination and Remuneration Committee keeps the benefits offered, the policies and the levels provided under regular review.
Opportunity	– The value of benefits provided will be reasonable in the context of relevant market practice for comparable roles and taking into account any individual circumstances (e.g. relocation). There is no maximum monetary value.
Performance details	None

Senior Executive Management Remuneration Policy (Cont'd)

Annual bonus

Purpose and link to strategy

- Rewards performance on an annual basis against key financial, operational and individual objectives.

Operation

- Performance measured over one year, bonus payable in cash after the year-end.
- Bonus level determined by the Committee after the year-end based on performance against targets.
- Measures and targets are reviewed annually.

Opportunity

- The level of threshold payment for performance varies depending on the performance measure, with payouts from zero per cent.
- Full vesting requires outperformance of stretch objectives.

Performance details

- Based on a combination of financial (e.g. profit), operational (e.g. customer, availability) and individual metrics.
- A profit gateway must be achieved before any bonus payments can be made.
- The detail of the measures, targets and weightings may be varied by the Nomination and Remuneration Committee year-on-year based on the Company's strategic goals.

Senior Executive Management

Annual Bonus Plan

All bonus plans across the Company are aligned under a set of common principles. The Senior Executive Management plans are based on profit and individual performance. Bonus awards are weighted to the achievement of profit. The annual bonus is paid in cash after the year-end.

The profit targets are set against the Company’s expected performance and are subject to a rigorous process of challenge before the proposals are considered by the Board.

Individual performance objectives are set annually and are reviewed by the Nomination and Remuneration Committee. These objectives cover a variety of financial and operational targets that contribute to the achievement of longer-term strategic goals; some of these objectives relate, either directly or indirectly, to the Company’s values.

Management annual bonus= 5 * B * CPI * KPI Achievement

Monthly basic salary (B)

Company Profitability Index (CPI) = Actual profitability / Budgeted profitability

KPI Achievement% = [KPI% + KPI% ++KPI%]/n

KPI	Calculation Method
Utilization Index (no. of resources)	Budgeted / Actual
Cost	Budgeted / Actual
Efficiency (time)	Planned / Actual

This plan is calculated and disbursed annually based on the audited financial statement

Resource utilization index

Resource Utilization	Resource Utilization Index
>115%	0
105%-114%	0.8
95%-104%	1
<94%	1.2

Management Annual Bonus Plan

Management annual bonus= 3 * B * CPI * KPI Achievement

Monthly basic salary (B)

Company Profitability Index (CPI) = Actual profitability / Budgeted profitability

KPI Achievement% = [KPI% + KPI% ++KPI%]/n

Function	Sample KPI
Human Resources	<ul style="list-style-type: none"> - Time to recruit - Time to implement - Turnover - Absenteeism
Finance	<ul style="list-style-type: none"> - Time to collect - Time to report
Commercial	<ul style="list-style-type: none"> - Leasing target - Revenue - Number of clients

Leasing Annual Bonus Plan

“Leasing Bonus Plan” for jobs related to Sales: Sales team who directly interact with clients.

Each lease target will be weighted and adjusted as follows:

- New clients will have a weight of 120%. i.e. if a leasing employee achieved 100% of target, from which 30% are from new clients, then the new achievement is: $70\% + 30\% \times 120\% = 106\%$.
- Renewal will have a weight of 65%.
- Any achievement below **80%** will yield the achievement to be adjusted to 0%. This will apply to the overall adjusted achievement as well.

- Leasing Target (LT): value of leasing/ renewal target
- Performance Appraisal (PA): The performance appraisal at the end of the year
- Basic Salary (B): basic salary excluding any allowances
- Retention Rate(RR): % clients retained annually

$$\text{Annual LIP} = B * \text{LT Achievement}\% * \text{RR} * \text{PA}$$

Operations Annual Bonus Plan

“Operations Annual Bonus Plan” for operations teams.

- Monthly Basic Salary (B)
- Company Profitability Index (CPI)
- Performance Appraisal Result (PA)

$$\text{Operations Annual Bonus Plan} = B * PA * \text{KPI Achievement\%} * CPI$$

KPI	Calculation Method
Resource Utilization	Budgeted # of resources/Actual #
Cost	Budgeted cost/Actual Cost
Job Time (Efficiency)	Planned Time/Actual Time
Time to handle	Actual time/planned time

$$\text{KPI Achievement\%} = [KPI1\% + KPI2\% + \dots * KPI_n\%] / n$$

$$CPI = (\text{Actual Company Profitability} / \text{Budgeted Company Profitability})$$

Support Annual Bonus Plan

"Support Annual Bonus Plan" for support related jobs (Non-Management Positions). The incentive scheme for the Finance, HR, Administration ...etc. positions and is linked to the performance of the employee.

- Company Profitability Index (CPI)

$$CPI = \frac{\text{Actual Company Profitability}}{\text{Budgeted Company Profitability}}$$

- Monthly Basic Salary (B)
- Performance Appraisal Result (PA)

$$Incentive (SPIP) = B * PA * KPI Achievement\% * CPI$$

- This plan is calculated and disbursed annually based on the audited financial statements.

General Remarks

- Any non leasing team member with Performance Assessment less than 80% will yield the bonus to 0.
- Any written notification will deduct 25% from the bonus.
- Any written warning will deduct 50% from the bonus.
- Any non-sales team member of less than 6 months of service will not be entitled to any bonus that year.
- Any non-sales team member of more than 6 months of service but less than a year will have his/her bonus as pro rata.

Service Contracts and Exit Payment Policy

The Company’s policy on any termination payments is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms in the service contract and the circumstances of the termination. The table below summarizes how awards under the annual bonus is typically treated in specific circumstances, with the final treatment remaining subject to the Committee’s discretion as provided under the rules of the plan:

Reason for cessation	Timing of vesting/payment	Calculation of vesting/payment
Annual Bonus		
Voluntary resignation or termination with cause'	Not applicable	No bonus to be paid for the financial year.
All other circumstances	At the end of the financial year	Bonuses will be paid only to the extent that objectives set at the beginning of the plan year have been met. Any such bonus will be paid on a pro-rata basis up to the termination date.

The name:.....

Position:.....

Signature:.....