Remuneration Policy for the Board of Directors and its Committees

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1. **INTRODUCTION**

The Remuneration Policy for Board of Directors and Board Committees of Amlak Finance PJSC ("the Company)" has been formulated to comply with the Joint Stock Companies Governance Guide issued by the Securities and Commodities Authority ("SCA") via resolution no 3 of 2020, which stipulated that the Nomination and Remuneration Committee ("NRC") shall prepare and review the policy on granting rewards, benefits, incentives and salaries to the Board members and submit to the Board of Directors for recommendation for the approval by the shareholders.

2. **PURPOSE OF THE POLICY**

The purpose of this policy is to stipulate and clearly outline the remuneration for the Board of Directors and its committee members in light of the Companies law requirements and SCA regulation.

3. **OBJECTIVE OF THE POLICY**

The objectives of the remuneration policy are to:

- Attract competent and talented individuals based on their personal profile and expectations to serve on the board of directors & board committees and reward them;
- Retain members who are aligned with the Company values and desired behaviors;
- Align the interests of the directors with the interests of the shareholders of the Company; and
- Ensure that remuneration reflects the Company's performance.

4. **GENERAL PRINCIPLES FOR THE REMUNERATION OF THE BOARD**

a. Remuneration for the Board of Directors shall comprise a percentage of the net profit not exceeding (10%) of the net profit for the fiscal year after deducting depreciation and reserves;

b. A member of the Board of Directors may be paid a fee of a lump sum not exceeding (200,000) two hundred thousand dirhams at the end of the fiscal year, considering the regulations issued by the Securities and Commodities Authority in this regard, provided that the Company's Articles of Association allows this and after the approval of the General Assembly to pay these fees in the event of:

- The Company's failure to achieve profits.
- If the company makes profits and the board member's share of the profits is less than two hundred thousand dirhams, and in this case the remuneration and fees may not be combined.

c. The fines on the Company imposed by the Authority or the Central Bank or the Competent Authority as a result of the Board of Directors' violations of the Commercial Companies Law, or the Articles of Association of the Company during the fiscal year shall be deducted from the remuneration;

d. The General Assembly may choose not to deduct all or some of the fines if it found that such fines are not the result of failure or mistake of the Board of Directors;

e. Board members shall be indemnified from time to time against all costs incurred by them in the course of completion of company business.

f. The Company may pay additional remuneration or a monthly salary whose amount shall be decided by the Board to any Board member who sits on any committee or exerts special efforts or undertakes additional work in service of the company over and above his usual duties as a director;

g. Members of the Board Committees will receive fees for attending committee meetings equivalent to AED 10,000 per meeting.

5. GUIDLINES FOR REMUNERATION AND PAYMENT PROCESS

a. At the beginning of the year, NRC will submit proposed Board Members remuneration to the Board for approval;

b. The Board of Directors will then submit the proposed Board Members remuneration to the General Assembly for its approval;

c. Board members who hold the Company's shares shall not vote on the agenda item relating to the remuneration of board members at the General Assembly meeting;

d. Members are entitled to the remuneration from the date they have joined the board or committee and as per the duration of their membership;

e. Processing of Board members remuneration payment shall be prepared by the board secretary and shall be paid in full after Annual General Assembly meeting approval.

6. REVIEW & AMENDMENT

This policy shall be implemented and complied with by the Company starting from the date it is approved by the General Assembly. The content of this policy shall be reviewed - as needed - by NRC, provided that, any recommended changes are presented by the board to the General Assembly in the next meeting for approval.