

## ALIGNMENT OF INTEREST POLICY

### 1. PREAMBLE

- 1.1 Policy for alignment of Interest of Chief Executive Officer, Chief Investment Officer and Head of Investment Committee of MCB Investment Management Limited (Formerly: MCB-Arif Habib Savings & Investments Limited (the "**Company**") with Unit Holders of the Collective Investment Schemes managed by the Company (hereinafter referred to as the "**Alignment of Interest Policy**" or the "**Policy**") is prepared in accordance with the requirements of Regulation 60A and Schedule XXII of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. CEO, CIO and HIC are collectively referred to as the "**Key Employees**" for the purpose of this Policy.
- 1.2 The Board of Directors (BOD) of the Company shall have an overall responsibility for implementation of the Alignment of Interest Policy.
- 1.3 Alignment of Interest Policy shall remain in the permanent custody of the following:
  - (a) Chief Executive Officer ("**CEO**");
  - (b) Chief Investment Officer ("**CIO**");
  - (c) Head of Investment Committee ("**HIC**");
  - (d) Staff of Human Resource(s) Department; and
  - (e) Staff of Compliance Department.
- 1.4 In case of any position given in this Policy becoming vacant, authorities associated with the relevant position shall automatically escalate to the next higher authority in line; unless a temporary, authority has been granted and authorized by the CEO of the Company in this respect.
- 1.5 Copies of this Policy must not be provided to any external party without prior written approval of the CEO. However, access to this Policy shall not be restricted for such external parties who are entitled to such access in accordance with the provisions of any law for the time being in force.
- 1.6 The basic responsibility for maintaining and updating this Policy resides with Head of Human Resources. Head of Human Resources shall initiate, Human Resources and Remuneration Committee ("**HRRC**") shall validate and the BOD shall approve any modifications to this Policy.

### 2. ALIGNMENT OF INTEREST POLICY

- 2.1 Below-mentioned percentage of Performance Bonus amount (net of tax) of Key Employees shall be issued in the form of Units of the Schemes (hereinafter referred to as the "**MCB Funds Schemes**") managed by the Company:

Financial Year for which Performance Bonus is paid	Percentage
2023	1%
2024	2%
2025	3%
2026	4%
2027 and onwards	5%

- 2.2 Human Resources Department will open separate investor account with the Company in the name of Key Employee. The control of this investor account of Key Employee remains with Head of Human Resources. Units relating to the Performance Bonus of Key Employee shall be issued in this separate investor account.
- 2.3 Head of Human Resources will compute the portion of Performance Bonus amount of each Key Employee in accordance with Paragraph 2.1 above, to be invested in the Units of MCB Funds Schemes and send written advice to the Unit Holders' Accounting Department for investing the portion of Performance Bonus amount in the respective investor account of the Key Employee.
- 2.4 The lock-in period for the Units of MCB Funds Schemes allocated to the Key Employees in accordance with the Paragraph 2.3 above, is minimum **twenty-four (24) months** from the date of allocation. During this lock-in period, redemption/ withdrawal/ transfer shall not be allowed. Key Employees are not allowed to pledge these Units in favour of third party. After completion of lock-in period, Key Employee will request Head of Human Resources to release the Units for Redemption/ Transfer as desired by the Key Employee.
- 2.5 In case of resignation/ termination of the Key Employee, Human Resource and Remuneration Committee of the Board will decide about the release of locked-in Units for Redemption/ Transfer as desired by the Key Employee.
- 2.6 If any fraud, gross negligence, mis-selling or deceptive conduct is proved against the Key Employee in accordance with the requirements of any statutory law and/or any approved policy and procedure of the Company, Human Resource and Remuneration Committee of the Board will decide the amount to be forfeited/ claw backed from the separate investor account of the Key Employee in favour of the Company.
- 2.7 Fund Accounting Department will disclose Performance Bonus paid to the Key Employees in the form of Units of each MCB Funds Scheme in aggregate along with MCB Funds Scheme's return in respective Annual Audited Financial Statements of MCB Funds Scheme.
- 2.8 Human Resources Department will maintain a complete record of all activities under this Policy for a period of ten (10) years for audit and compliance purposes.
- 2.9 Human Resources Department will be responsible to upload this Policy along with summary of any exemption to this Policy on the websites of the Company.
- 2.10 Finance Department will be responsible to disclose this Policy along with summary of any exemption to this Policy in the Annual Report of the Company.