

Employee Stock Ownership Plan Policy- ESOP

1. Objectives:

The purpose of the Plan is to advance the interest of the Company by providing a long-term incentive plan to attract, retain and reward eligible employees of BHM Capital which will align them to the success of the Company. Employee stock ownership plan (ESOP) seeks to encourage the management team and prominent employees to grow and develop the Company, through granting shares to selected employees according to the criteria, principals and rules set out by the Remuneration Committee to enforce such plan.

2. Objectives of the Scheme:

1. Align the interests of the parties benefiting from the Plan with the shareholders' interest
2. Increase employee's sense of belonging
3. It will enhance Job Satisfaction.
4. Minimize the turnover in "key positions" senior management level.
5. Ensure that eligible participants are incentivized to stabilize and support the long-term growth of the Company. Retain management and high performing employees

3. Allocation of shares:

Number of shares available for ESOP is 17,343,107 shares. Out of this, 100% of shares will be allocated to "key personnel", this is in accordance with Ministerial Resolution No. (539) of 2017 regarding the controls of private joint stock companies implementing the provisions of the Commercial Companies Law No. (2-797) of 2018 in the United Arab Emirates.

4. Eligibility & Supervision:

- a. Must have completed two years of service at BHM Capital.
- b. Must be able to meet 60 % of the **Core Skills and Leadership Competencies** required.
- c. The Remuneration Committee of the Company shall supervise the implementation of the Plan under the control and supervision of the Company's board of directors.

5. Scope of this scheme:

- a. It includes the Executive Management staff (Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer, Head of Brokerage)
- b. It includes the head of departments and managers.
- c. If CEO decides appropriately to grant some units to any staff on an exceptional basis, they can submit a proposal to the board Remuneration Committee.

The Remuneration Committee will have authority over allocating shares to those staff recommended by the CEO.

6. CRITERIA

Each beneficiary shall be granted shares, or a specified percentage of the amounts allocated for the Plan according to the resolution issued by the Remuneration Committee.

The Remuneration Committee shall determine the granting date, select the beneficiaries of the Plan and the shares to each of them. The Remuneration Committee shall submit the beneficiaries' names, the shares granted to each of them, their price and granting date to the Company's board of directors.

Upon ratification by the Company's board of directors of the proposal submitted by the remuneration committee, such committee shall notify each beneficiary of the number of the shares allocated to him and the conditions of benefiting from the incentive plan pursuant to the terms and conditions of the plan.

CEO will assess and recommend the capability of the eligible employees and allocate the shares as per Remuneration Committee approval.

Core Success Skills	
Factors	Marks 1-10 scale
a. Vision and Leading	
b. Acts as an involved business partner	
c. Accuracy and Work Quality	
d. Communicates effectively	
e. Demonstrates effective team work	
f. Directing Change and mastering new work routines	
Leadership Competencies	
a. Decision Making	
b. Develops Competitive Strategies	
c. Builds Capability in people and organization	
d. Supervision & Management of people performance	
Total Points / 100	

- *The assessment should be done on 1 to 10 points scale while rating the above factors*

7. Transfer of shares:

The staff will have option to sell the shares after the completion of one year of ownership as per below terms and conditions:

1. 35 % of the shares after completion of 1st year

2. 35 % of the shares after completion of 2nd year
3. 30 % of the shares after completion of 3rd year

8. Method of Work:

The allocated Treasury Shares will be held in an established portfolio called **ESOP Portfolio** and eligible employees will sign a subscription agreement with BHM Capital mentioning his total amount of shares, unit price, and subscription date which the ownership period will commence from.

Based on this policy eligibility terms, the staff at each of the maturities may request to sell (all or part of) his eligible % of shares as per market price at the time, and the company will sell them on his behalf and issue cheque/bank transfer with balance amount. Employee may submit a request as well to transfer his eligible % of shares to his own trading account and the company will fulfill the instructions.

9. Termination of Employment:

- If termination occurs before the elapse of one year from the issue of the subscribed units, the company reserves the right to rescind the agreement.
- If the employee leaves the company during the tenor of this agreement (before the end of the full 3 years program), the employee must surrender back all the shares he acquired or sold to company at the original unit price. The employee end of service compensation dues can be used to settle in case of default.
- If the employee services are terminated by the company due to any violation of act 120 in UAE Labor Law, the company reserves the right to rescind the agreement with the employee and return the shares to the ESOP Portfolio accordingly. The employee end of service compensation can be used to settle shortage resulting from selling any shares in case of default.
- If the employee services are terminated due to redundancy or expiry of employment contract, then the employee can own the shares on pro-rata basis as per the terms of this policy.
- In the case of occurrence of death during service, then the full allocated shares will be transferred to his/her legal heirs.

PROCEDURE FOR IMPLEMENTING ESOP POLICY

Process	Review / Comments / Propose	Concur / Agree / Recommend	Approval Authority	Administer
Allocation of shares	Head of Operations	CEO	Remuneration Committee	Head of Operations
Compliance- ensure statutory requirement.	Head of Compliance	COO	--	
Drafting agreement between BHM and Employee	Head of HR	Head of Operations	--	Head of HR
Communicating to Top and Senior Management	Head of HR	COO	Remuneration Committee	Head of HR
Nominating staff for shares	Respective Heads	CEO	Remuneration Committee	Head of HR
Nominating for shares on an exceptional basis	CEO / DCEO	CEO	Remuneration Committee	Head of HR
Communicating to staff	Head of HR	CEO	-	Head of HR
ESOP Management – distribution, transfer, recovery	Head of Operations	-	CEO	Head of Operations
Employee Termination/ Legal heirs / Hiring top management	Head of HR	CEO	CEO	Head of HR