

## ALIGNMENT OF INTEREST POLICY

### Alignment of Interest of Key Employees with Unit holders of CIS:

The purpose of this section of the policy is to comply with (ref. of NBFC Reg.) and to make amendments in the compensation structure to align the interest of the key employees namely CEO, CIO and Head of Investment Committee with the interest of unit holders of CISs under management.

- i) Retention of Compensation to Key Employees: UBL Funds would retain 10% of the Bonus paid to the key employees. The bonus would be calculated in accordance with the already approved Compensation and Benefit policy in place.
- ii) Lock in Period: The minimum lock in period for the compensation so retained in the form of units would be 1 year and the retained part will be released on or after the anniversary of such retention in the event of no event leading to forfeiture or claw back. In the event any key employee resigns and there is no open investigation being carried out, the retained portion will be relieved.
- iii) Forfeiture/ Claw Back of Compensation: Any losses suffered by the Unit holders as a result of the key employees committing fraud, or found in gross negligence, mis-selling or deceptive conduct should be made good by the forfeiture of the said compensation to make good such loss. However, the liability of the key employees shall not exceed the amount of compensation so retained at any point of time.
- iv) Assessment of Events to Determine Forfeiture: All cases of fraud, gross negligence, willful misfeasance or deceptive conduct would be dealt under the Anti-Fraud and Irregularity Policy of the Company.
- v) Responsibility for Deduction: The HR Department, in collaboration with key employees, will be responsible for deducting the retention amount as agreed upon. Subsequently, they will facilitate the investment process by allocating the deducted funds into units of UBL Funds in consultation with each individual employee and formalities required for the lock-in period.
- vi) Disclosure of Policy and the Compensation Retained: The management shall disclose the compensation paid to the key employees in the form of units of a scheme of the choice of the key employee. Further, the extract of the policy will be disclosed on the website and its annual report.

### Retention of Audit Trail:

The management shall retain all the relevant audit trail (documents, approvals, etc.) in accordance with the Data Retention Policy of the Company.