AKD Investment Management Ltd.

Alignment of Interest Policy

Version No. 1

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Alignment of Interest Policy

Objective

The Objective of this Policy is to align the interests of key personnel with the interest of the unit holders in the collective investment schemes under the management of the asset management company (AMC), arresting conflicts of interest and ensuring that the performance goals of both are principally unified.

Key Personnel

For the purpose of this Policy "Key Personnel" shall mean any person in the employment of the Company undertaking an executive role in the business and/or involved in the investment process of the collective investment schemes under the management of the AMC.

Provided further, that Key Personnel shall include the CEO, Chief Investment Officer and Head of Investment Committee (if applicable) or any other employee that the Board of Directors approve in consultation with the CEO from time to time.

Governing Rules, Regulations & Policies

This Policy shall be governed by the NBFC Rules, Regulations and Company Policies amended from time to time or any other applicable laws. Provided any amendments shall be deemed to be part of this Policy.

For the purpose of this Policy the Human Resource and Compliance Departments shall be required to maintain all proper records and documents to ensure the effective implementation of this Policy. Provided that the records shall be required to ensure an audit trail of all transactions required under this Policy with compliance. The Board and/or CEO may from time to time advise the Human Resource, Compliance and any other relevant department on measures deemed appropriate to extinguish their fiduciary responsibilities.

Allocation of Compensation

The Board of Directors shall be required to determine an amount or percentage of compensation of Key Personnel to be invested in the collective investment schemes under the management of the AMC.

For the purpose of this Policy, the Board at a minimum shall implement this Policy for any bonus payments given to Key Personnel. Provided that the Board shall also be authorized to exempt any clause/provision of this Policy if deemed appropriate by the Board and that such exemption shall not be contrary to the Rules and Regulations.

The Board shall undertake to provide guidance and decide on the following prior to any bonus payment to key personnel:

1. A percentage or amount of the bonus given by the Company for each Key Person to be in the form of units of the collective investment schemes under the management of the AMC. Provided that the Board may determine the percentage/amount of compensation separately for each Key Person as deemed appropriate.

2. In consultation with Key Personnel the Board shall determine the collective investment scheme(s) Key Persons can invest in. Provided that after the Key Persons have invested part of their compensation as determined by the Board, may at a later stage request the Board for a change in allocation invested in collective investment scheme(s) and subject to Board approval change from one fund to another fund(s) under the management of the AMC. For this purpose, the Board shall ensure that any such approvals are appropriately recorded through a circular resolution and in the minutes of any following board meeting.

3. The percentage/amount determined by the Board to be paid in the form of units of the collective investment schemes under the management of the AMC shall be in line with applicable laws and procedures as approved by the Board.

   Provided that Key Personnel shall invest in the Board approved collective investment scheme(s) within the stipulated time as determined by the Board. The Board shall also be authorized to determine the mechanism and amend from time to time as deemed appropriate in line with Regulatory requirements for the effective implementation of this Policy.

4. The Board shall determine a "Minimum Lock-In Period" each time compensation of a Key Person is allocated under this Policy; whereby Key Personnel shall be required to maintain investment in the collective investment scheme(s) for a minimum period and ensure that the management have taken appropriate measures to monitor and compliance of this. Provided that the Board at its discretion may reduce or exempt such Minimum Lock in Period for disbursed bonus payments to Key Personnel if deemed appropriate. Provided further, the Board may reconsider or amend the minimum lock-in period for requests from Key Personnel for changing one from collective investment scheme to another under the management of the AMC. In any case, the Board shall ensure that such amendments and exemptions are appropriately recorded in the minutes of the Board.

5. The Board shall be authorized to exempt or amend any clause/provision of this Policy as deemed appropriate by the Board on a case to case basis. Provided that such exemptions (if any) are not contrary to the Rules and Regulations and are appropriately recorded in the minutes and reported as required under the law.

Forfeiture/Claw Back of Compensation

The Board shall be authorized to claw back any part or whole of the compensation of key executives in the event of fraud, gross negligence, mis-selling or deceptive conduct on part of the Key Personnel.

Provided further, the Board shall be authorized to instruct the CEO and related management personnel to forfeit such “investments” in favor of the Company as a penalty in the event of misconduct, mis-selling, willful breach of trust and reckless behavior of any Key Person(s). In addition, the Board shall also be authorized to extend such penalties to any other compensation that the Company is providing to Key Person(s) if deemed appropriate.

Provided that the Board may also undertake an inquiry in consultation with any employee of the Company and or any other party including the auditors to determine the misconduct and impose punitive measures including percentage/amount to be forfeited or clawed back from the employee(s) compensation in case. Provided further, that the Board may also extend the scope of any inquiry and penalties to include other Non-executive employees of the Company for punitive damages involved in misconduct.

Provided further, that any punitive damages and any other measures advised by the Board on the concerned Company employees is implemented by the management of the Company in line with all regulatory and legal requirements.