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Mazaya Qatar Real Estate Development Q.S.C

Remuneration Policy

ENV1 Final

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1. Purpose

The remuneration policy of Mazaya Qatar Real Estate Development Q.S.C (hereinafter referred to as MQ) applies to all Directors and Executive Management. The Board of Directors adopts the remuneration policy as per the proposal of the Nomination and Remuneration Committee. The policy is subject to approval of the Shareholders vide the Annual General Assembly (AGM).

The policy reflects MQ's objectives for good corporate governance as well as sustained and long-term value creation for shareholders. In addition, it ensures that:

- A. The Company is able to attract, develop and retain high-performing and motivated executives in a competitive, international market;
- B. Directors are offered a competitive remuneration package;
- C. Directors feel encouraged to create sustainable results and that a link exists between shareholder and their interests; and
- D. The Company's focus areas are furthered.

The policy focuses on ensuring sound and effective risk management through a stringent governance structure for setting goals and communicating these goals to executives including both financial and non-financial goals in performance and result assessments, making salaries the main remuneration component.

2. Policy Governance

Once a year, the Board of Directors monitors compliance with the remuneration policy. The Nomination and Remuneration Committee and by extension the Board of Directors, must submit any policy adjustments to the General Assembly for approval. The Nomination and Remuneration Committee briefs all members of the Board of Directors and prepares the Board for its dealings with remuneration issues. A specific Charter has been created for the Nomination and Remuneration Committee detailing the membership composition, duties and authority.

At the annual performance evaluation interview, the individual Executive Management team member and Nomination and Remuneration Committee evaluate and document performance, and set new documented goals. Any decisions on adjustment of the salary and/or on performance-based pay element are proposed by the Nomination and Remuneration Committee on the basis of this meeting.

3. Remuneration Concepts

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the individual's rank in the Company and professional activity as well as market practice.

In determining the level and make-up of the Directors and Executive Management's remuneration, the Nomination and Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages, given remuneration trends of other companies, based on which recommendations are made to the Board.

Executive Management defined herein as defined by the approved salary scale.

For all other employees/ranks, the CEO and respective heads of department may be given the authority to implement the HR recruitment, remuneration and incentive policies including the variable pay element, based on the annual allocation approved by the Board and individual's performance assessment outcome.

The remuneration components are explained in further details below:

A. Fixed remuneration (including fixed supplements)

The fixed remuneration is determined on the basis of the role of the individual employee, including responsibility and job complexity, performance and local market conditions. The employees will be paid a lump sum salary and not broken down into basic salary, housing allowance, etc.

B. Performance-based remuneration (variable salary)

The performance-based remuneration motivates and rewards high performers who strengthen long-term customer relations, and generate income and increase shareholder value. The Board of Directors has determined a maximum percentage of performance-based remuneration. This percentage varies according to the type of position held. Performance based remuneration is disbursed as bonus on an annual basis.

C. Other benefits

Other benefits are reimbursed in line with the HR policy:

D. Indemnity cover / End of service benefits

All expats are entitled to termination payments in line with the HR policy. The basis for determining entitlements in the event of termination is aligned with the labour law. All Qataris are registered in the National Pension Fund.

E. Insurance Cover

Insurance cover is provided to all permanent staff members in line with the HR policy.

F. Annual Ticket

All expats are entitled to an annual ticket as per the HR Policy

4. Remuneration of Board Members

Members of the Board of Directors receive a fixed annual fee. Board members are not covered by incentive programmes and do not receive performance-based remuneration. The basic fee of a Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company's complexity, the extent of the responsibilities and the number of board meetings.

Remuneration of Board members will be sufficient enough to attract, retain and motivate persons of the quality needed to run the Company successfully and, would not be more than is necessary for that purpose

The remuneration shall be fixed by the Board of Directors not exceeding 10% of the net profit (after ensure all deductions) ¹ .

The Company would have a written appointment agreement with each director which recites the directors' powers, duties, responsibilities and accountabilities and other matters relating to their appointment including remuneration and expense reimbursement entitlement. No pension contributions are payable on Board members' fees.

5. Remuneration of Executive Board Members

The remuneration of Executive Board members is to ensure the Company's continued ability to attract and retain the most qualified Executive Board members and a good basis for succession planning. In connection with the annual assessment of the remuneration of the Executive Board, developments in market practice are assessed systematically.

The remuneration of the Executive Board members consists of the following:

1. Fixed remuneration
2. Incentive programmes
3. Retirement Scheme

The remuneration shall be fixed by the Board of Directors not exceeding 10% of the net profit (after ensure all deductions) ¹ .Retirement schemes are either defined benefit or defined contribution plans.

The performance of Executive Board members is assessed once a year based on a written performance agreement containing both financial and non-financial goals. These goals reflect the Company's value creation targets, both in the short and in the long term.

6. Remuneration of Committees Membership

Board members with membership in board committees may receive remuneration as decided by the Board.

¹ MQ Articles of Association, Article 42

7. Program for the Members of the Executives Management

The pool for performance-based pay will be determined in accordance with the Remuneration policy. At the beginning of each year when the Company's net profit for the preceding year is known, the Nomination and Remuneration Committee will recommend to the Board, the performance-based pay to be granted to the Executive Management under the program. The performance-based pay to the individual members may not exceed 20% of the fixed pay.

- A. Performance-based pay is granted to the Executive Management on the basis of an assessment of compliance with the member's performance agreement, which contains both financial and non-financial targets.
- B. Performance-based remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. This is achieved by ensuring:
 1. An appropriate balance between fixed and performance-based components
 2. That the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible
 3. That the performance-based component reflects the risk underlying the achieved result
- C. Performance-based remuneration pools must be based on an assessment of the Company's annual performance against approved budget and, a number of Key Performance Indicators (KPIs) reflecting the trend in the Company's focus areas. The KPIs cover the following:
 1. Profit before tax compared with budget
 2. Assessment of risk-adjusted return
 3. Cost trend
 4. Change in customer satisfaction
 5. Compliance with internal business procedures

Performance-based pay is granted to reflect the individual's performance and departmental as well as the Company's results. A discretionary assessment is always made to ensure that other factors – including factors which are not directly measurable – are considered.

Guaranteed variable pay is granted only in exceptional cases to attract highly specialised individuals. In accordance with international recommendations, such pay is granted for a term of one year only. The total maximum for performance-based pay for Executive Management and other material risk takers is 10% of the Company's profit in each year.

8. Remuneration of the CEO

The CEO being the top executive, leading the operations of the organization, receive a fee and is covered by incentive programmes directly linked to company performance. The basic fee of the CEO is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company's complexity, the extent of the responsibilities. Pension contributions are payable to the CEO.

The remuneration of the CEO consists of the following:

1. Fixed Remuneration (including fixed supplements)
2. Performance-based remuneration (variable salary);
3. Pension schemes;
4. Other benefits.

9. Remuneration of Board Secretary

The Board Secretary is a crucial support and is instrumental in facilitating the functioning of the board. The basic salary of the Board Secretary is competitive with the rest of the market and reflects the qualifications and contribution required of the job.

The remuneration of the Board Secretary consists of the following:

1. Fixed Remuneration (including fixed supplements)
2. Performance-based remuneration (variable salary);
3. Other benefits.

10. Deviation

The Board of Directors may deviate from this policy in individual cases, if justified by extraordinary circumstances. A documented justification must be submitted to the Nomination and Remuneration Committee for review and approval.