

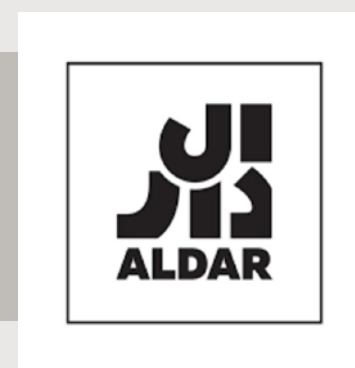
QUICK GUIDE ON FORMULA AND CONSIDERATIONS

IN-COUNTRY VALUE CERTIFICATION PROCESS



A UNIFIED ENHANCED CERTIFICATION TO ENSURE EFFECTIVENESS AND EFFICIENCY OF THE IN-COUNTRY VALUE

THE PROGRAM PIONEERED BY ADNOC HAS NOW EXPANDED TO



THE ALIGNED CERTIFICATION FORMULA

	MANUFACTURING & THIRD PARTY COST	MANUFACTURERS	SERVICE PROVIDERS
	50% for Cost of goods and services incurred in the UAE in comparison to total cost	$\frac{\text{Manufacturing cost incurred in UAE} + \text{Emirati Cost} + 60\% \text{ of Expat Cost}}{\text{Total Cost}}$	$\frac{(\text{Value of Purchase} \times \text{ICV of supplier}) + \text{Emirati Cost} + 60\% \text{ of Expat Cost}}{\text{Total Cost}}$
	INVESTMENT* 25% for Direction and volume of net book value of assets the entity owns	BASIC 10% $\frac{\text{Net Book Value of Assets in UAE}}{\text{Net Book Value of Total Assets}}$	TOP UP 15%
	EMIRATIZATION* 15% for cost of Emiratis (salary, training and benefits) & donations for Emiratis development	AED, Million 5 to 50 5%	AED, Million 51 to 100 5%
	EXPAT CONTRIBUTION* 10% for number of expat employees the entity hires	AED, Million 101 to 150 5%	TOP UP 13%
	BONUS* 5% bonus for revenue generated from outside UAE, Emiratis headcount, & investment growth	Up to AED 200K Salary, Training, benefits & donations to governmental universities & Sondoq Al Watan	Above AED 200K to 20M Salary, Training, benefits & donations to governmental universities & Sondoq Al Watan
		1 to 5 Employees 1 to 3%	6 to 50 Employees 4 to 6%
		51 to 200 Employees 7 to 9%	above 200 Employees 10%
		$\frac{\text{Total Revenue from outside UAE}}{\text{Total Annual Revenue (Excluding Re - exports)}} + \frac{\text{No. of Emiratis}}{100} + \frac{\text{Growth in NBV}}{\text{Original NBV}}$	

* APPLICABLE FOR MANUFACTURERS AND SERVICE PROVIDERS

ENHANCEMENTS IN CONSIDERATIONS



IFRS FINANCIALS

All financials used to issue a certificate should be based on International Financial Reporting Standards (IFRS) and by a licensed auditor from Ministry of Economy



BRANCHES ELIGIBILITY FOR ONE CERTIFICATE

Branches in the same Emirate with identical activities and ownership listed on the licenses are eligible for one combined ICV certificate



PAYMENTS TO GOVERNMENTAL AUTHORITIES

Payments to governmental free zone regulators and Government licensed entities are considered as 100% ICV



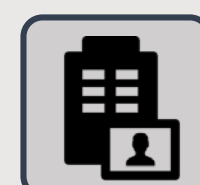
CREDIT TO MAINLAND SUPPLIERS

For ICV calculation purposes for service providers, a vendor who is based in UAE mainland will be automatically granted 10% ICV score



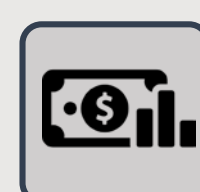
HEADCOUNT OF EMPLOYEES

Headcount of employees will be counted on an average basis in a year and not as per year end



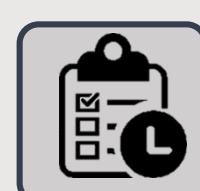
CREDIT OF OWNER SALARY

Salary of Emirati owners who are part of the WPS can be included, and is capped to a total of AED 120,000/- monthly per owner. Bonus and other benefits will be excluded



INTERNAL COSTS

All internal costs are excluded from the calculations except for depreciation cost



EXPIRY OF THE CERTIFICATE

Validity of the certificate is for 14 months from the issuance of the audited financial statements or the issuance of new financial statements – whichever is earlier