

Form 51-102F6V
Statement of Executive Compensation – Venture Issuers

General

For the purpose of this Statement of Executive Compensation:

“company” means **Ares Strategic Mining Inc.**

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

“named executive officer” or **“NEO”** means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and named executive officer compensation, excluding compensation securities

Name and position	Year ending	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
James Walker ⁽¹⁾ President, CEO and Director	09/30/23	144,000	Nil	Nil	Nil	559,163	703,163
	09/30/22	144,000	Nil	Nil	Nil	424,783	568,783
Viktoriya Griffin ⁽¹⁾ CFO	09/30/23	114,680	Nil	Nil	Nil	56,095	170,775
	09/30/22	107,419	Nil	Nil	Nil	158,290	265,709
Changxian Li Director	09/30/23	Nil	Nil	1,250	Nil	48,962	50,212
	09/30/22	Nil	Nil	750	Nil	101,729	102,479
Bob Li Director	09/30/23	Nil	Nil	Nil	Nil	57,993	57,993
	09/30/22	Nil	Nil	250	Nil	143,754	144,004
Paul Sarjeant ⁽¹⁾ Director	09/30/23	42,000	Nil	Nil	Nil	73,894	115,894
	09/30/22	22,050	Nil	1,250	Nil	216,418	239,718
Raul Sanabria Director	09/30/23	Nil	Nil	Nil	Nil	56,658	56,658
	09/30/22	84,000	Nil	Nil	Nil	137,275	159,775

(1) Mr. Walker, Mrs. Griffin and Mr. Sarjeant were paid consulting fees and performance bonuses pursuant to consulting agreements as disclosed under "External Management Contracts" below.

External Management Contracts

Neither James Walker, Ares's CEO, Viktoriya Griffin, Ares's CFO, nor Paul Sarjeant, Ares's VP Exploration are employees of Ares, but derive their compensation indirectly through consulting agreements as set forth below.

Pursuant to a consulting agreement dated February 24, 2020, between Ares and Mr. Walker (the "**Walker Agreement**"), Mr. Walker provides his services to Ares as President and Chief Executive Officer. Pursuant to the Walker Agreement, Ares pays Mr. Walker a monthly consulting fee of \$12,000. Mr. Walker is also eligible for cash performance bonuses and is entitled to receive stock options, as determined by the Board. Mr. Walker is also entitled to be reimbursed for reasonable out-of-pocket expenses incurred by him on behalf of Ares. The Walker Agreement does not contain any change of control provisions, and is for an indefinite period, unless terminated in accordance with terms set out therein.

On January 21, 2019, Ares and Mrs. Griffin entered into a consulting agreement pursuant to which Ares retained Mrs. Griffin to provide services as Ares' Chief Financial Officer (the "**Griffin Agreement**"). Pursuant to the Griffin Agreement, Ares pays Mrs. Griffin a monthly consulting fee was \$4,000 and any extended work in excess is billed at \$110/hr. Mrs. Griffin is also entitled to receive stock options, as determined by the Board. Ares shall also reimburse Mrs. Griffin for reasonable out-of-pocket expenses incurred by her on behalf of Ares. The Griffin Agreement does not contain any change of control provisions, and is for an indefinite period, unless terminated in accordance with terms set out therein.

On April 2, 2022, Ares and Mr. Sarjeant entered into a consulting agreement pursuant to which Ares retained Mr. Sarjeant to provide services as Ares' VP Exploration (the "**Sarjeant Agreement**"). Pursuant to the Sarjeant Agreement, Ares pays Mr. Sarjeant a monthly consulting fee was \$3,500. Mr. Sarjeant is also entitled to receive stock options, as determined by the Board. Ares shall also reimburse Mr. Sarjeant for reasonable out-of-pocket expenses incurred by him on behalf of Ares. The Sarjeant Agreement does not contain any change of control provisions, and is for an indefinite period, unless terminated in accordance with terms set out therein.

Stock options and other compensation securities

COMPENSATION SECURITIES							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
James Walker President, CEO and Director	Stock Options	10,475,000	Feb 10, 2023	0.12	0.12	0.19	Feb 10, 2025
Paul Sarjeant Director	Stock Options	1,383,788	Feb 10, 2023	0.12	0.12	0.19	Feb 10, 2025
Changxian Li Director	Stock Options	916,894	Feb 10, 2023	0.12	0.12	0.19	Feb 10, 2025
Bob Li Director	Stock Options	1,086,007	Feb 10, 2023	0.12	0.12	0.19	Feb 10, 2025
Raul Sanabria Director	Stock Options	1,061,007	Feb 10, 2023	0.12	0.12	0.19	Feb 10, 2025
Viktoriya Griffin CFO	Stock Options	1,050,000	Feb 10, 2023	0.12	0.12	0.19	Feb 10, 2025

Exercise of Compensation Securities by Directors and NEOs

No NEO or director exercised compensation securities issued by the Company during the Company's financial year ended September 30, 2023.

Equity Incentive Plan

The plan has been approved by the shareholders at the annual and special meeting of shareholders on November 23, 2022.

Key Terms of the Ares Equity Incentive Plan

Shares Subject to the Ares Equity Incentive Plan

The Ares Equity Incentive Plan is a “rolling” plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Shares), provides that the aggregate maximum number of Ares Shares that may be issued upon the exercise or settlement of awards granted under the Ares Equity Incentive Plan, shall not exceed 20% of the issued and outstanding Ares Shares from time to time. The Ares Equity Incentive Plan is considered an “evergreen” plan, since the Ares Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the Ares Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Ares Shares increases.

Insider Participation Limit

The Ares Equity Incentive Plan also provides that the aggregate number of Ares Shares (a) issuable to insiders at any time (under all of Ares’s security-based compensation arrangements) cannot exceed 10% of the issued and outstanding Ares Shares and (b) issued to insiders within any one year period (under all of Ares’s security-based compensation arrangements) cannot exceed 10% of the issued and outstanding Ares Shares.

Any Ares Shares issued by Ares through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Ares Shares available for issuance pursuant to the exercise of awards granted under the Ares Equity Incentive Plan.

Administration of the Ares Equity Incentive Plan

The Plan Administrator (as defined in the Ares Equity Incentive Plan) is determined by the Ares Board, and is initially the Board. The Ares Equity Incentive Plan may in the future continue to be administered by the Ares Board itself or delegated to a committee of the Ares Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Ares Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to Ares, the number of Ares Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Ares Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Ares Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Ares Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Ares Equity Incentive Plan.

Eligibility

All directors, employees and consultants are eligible to participate in the Ares Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Ares Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

Types of Awards

Awards of RSUs and PSUs may be made under the Ares Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Ares Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Ares Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Ares Shares issued pursuant to awards.

Restricted Share Units

A RSU is a unit equivalent in value to a Ares Share credited by means of a bookkeeping entry in the books of Ares which entitles the holder to receive one Ares Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Ares Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Ares Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Ares Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Ares Shares and cash. Any such cash payments made by Ares shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Ares Share as at the settlement date. Subject to the provisions of the Ares Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Ares Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A PSU is a unit equivalent in value to a Ares Share credited by means of a bookkeeping entry in the books of Ares which entitles the holder to receive one Ares Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant’s service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Ares Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Ares Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Ares Share as at the settlement date. Subject to the provisions of the Ares Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Ares Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Ares Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Ares Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of Ares exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Term

While the Ares Equity Incentive Plan does not stipulate a specific term for awards granted there under, as discussed below, awards may not expire beyond 10 years from its date of grant, except where shareholder approval is received or where an expiry date would have fallen within a blackout period of Ares. All awards must vest and settle in accordance with the provisions of the Ares Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Ares Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement:

<u>Event</u>	<u>Provisions</u>
Termination for Cause/Resignation	<ul style="list-style-type: none">• Any award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the Ares Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.
Termination without Cause	<ul style="list-style-type: none">• A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest.
Disability	<ul style="list-style-type: none">• A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of disability multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of disability and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled within 90 days after the Termination Date.
Death	<ul style="list-style-type: none">• A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of death multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of death and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death.

<u>Event</u>	<u>Provisions</u>
Retirement	<ul style="list-style-type: none"> • (i) a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the Participant as of the date of retirement multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the date of retirement and the denominator of which is the number of days between the Date of Grant and the date any unvested awards were originally scheduled to vest, and (ii) any outstanding award that vests based on the achievement of Performance Goals (as defined in the Ares Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested award that is described in (i), such award will be settled within 90 days after the participant's retirement. In the case of a vested award that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with Ares or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences (the "Commencement Date") employment, consulting or acting as a director of Ares or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with Ares or any of its subsidiaries.

Change in Control

Under the Ares Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between Ares or a subsidiary of Ares and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment, consultancy or directorship is terminated by Ares or a subsidiary of Ares without Cause (as defined in the Ares Equity Incentive Plan), without any action by the Plan Administrator:
 - (i) any unvested awards held by the participant at Termination Date may vest in the sole discretion of the Plan Administrator; and
 - (ii) any vested awards may be exercised, surrendered to Ares, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Ares Shares will cease trading on the CSE, Ares may terminate all of the awards held by a participant that is a resident of Canada for the purposes of the Income Tax Act (Canada), granted under the Ares Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the Ares Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a "Change in Control" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Ares Shares, (b) the sale of all or substantially all of Ares's assets, (c) the dissolution or liquidation of Ares, (d) the acquisition of Ares via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Ares Shareholders (the "Incumbent Board") cease to constitute at least a majority of the Ares Board, unless the election, or nomination for election by the Ares Shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Ares Board determines to constitute a change in control of Ares.

Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant's death.

Amendments to the Ares Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Ares Shares, amend, modify, change, suspend or terminate the Ares Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Ares Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Ares Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the policies of the CSE, the approval of Ares Shareholders is required to effect any of the following amendments to the Ares Equity Incentive Plan:

- (a) increasing the number of Ares Shares reserved for issuance under the Ares Equity Incentive Plan, except pursuant to the provisions in the Ares Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting Ares or its capital;
- (b) increasing or removing the 10% limits on Ares Shares issuable or issued to insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the Ares Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting Ares or its capital;
- (d) increasing or removing the limits on the participation of non-employee directors;
- (e) permitting awards to be transferred to a person;
- (f) changing the eligible participants; and
- (g) deleting or otherwise limiting the amendments which require approval of the Ares Shareholders.

Except for the items listed above, amendments to the Ares Equity Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of Ares for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them

Employment, Consulting and Management Agreements

Other than as disclosed under “*External Management Contracts*”, no services were provided to Ares during the most recently completed financial year by a director or named executive officer, or any other party who provided services typically provided by a director or named executive officer, pursuant to any employment, consulting or management agreement between Ares and any other party, and Ares has no agreement or arrangement with any director, named executive officer or any other party with respect to any change of control of Ares or any severance, termination or constructive dismissal of any director, named executive officer or any other party, or any incremental payments triggered by any such change of control, severance, termination or constructive dismissal.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of the Named Executive Officers and directors is determined by the full Ares Board, based on the recommendations of the Compensation Committee. Compensation is determined based on factors considered relevant and appropriate, including the level of service provided, the background and expertise of the individual director or officer, amounts paid by other companies in similar industries at similar stages of development, and compensation levels necessary to attract, retain and develop management of a high calibre. Compensation is typically reviewed annually by the Compensation Committee and the Ares Board, usually in the first fiscal quarter, but may also be reviewed on an ad hoc basis as the need arises.

Ares’s compensation structure has two primary components, cash compensation and share-based compensation in the form of incentive stock options and bonus shares. Cash compensation has two components, base salary and bonuses.

For the most recently completed financial year, James Walker, Ares’ CEO, received base cash compensation of \$144,000 for providing those services. Viktoriya Griffin, Ares’ CFO, received base cash compensation of \$114,680 and Paul Sarjeant, Ares’ VP Exploration, received base cash compensation of \$42,000. The base cash compensation paid to Ares’s NEOs is based on the Board’s subjective assessment of the value to Ares of the services provided by each, and the other factors referred to in the foregoing. For further particulars of Ares’s agreements with Mr. Walker, Mrs. Griffin and Mr. Sarjeant see “*External Management Contracts*”.

Ares may grant Stock Options, RSUs, DSUs and PSUs as described in the Ares Equity Incentive Plan to the Named Executive Officers and directors on an ad hoc basis, based on the same subjective performance criteria referred to in the foregoing and other performance criteria considered relevant by the Ares Board. See “*Stock Options and Other Compensation Securities*” Ares regards the use of Stock Options, RSUs, DSUs and PSUs as a significant component of its compensation structure. In evaluating Stock Options, RSUs, DSUs and PSUs, the Ares Board evaluates a number of factors including, but not limited to: (i) the number of Stock Options, RSUs, DSUs and PSUs already held by or issued to an individual; (ii) a fair balance between the number of options held by or bonus shares issued to an individual and those held by or issued to other directors or officers, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black- Scholes analysis) and RSUs, DSUs and PSUs as a component of the individual’s overall compensation.

No significant events occurred during the most recently completed financial year that significantly affected compensation. While the Ares Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as a comparable. No significant changes were made to Ares’s compensation policies since the commencement of the most recently completed financial year.