SHUAA Capital PSC
(“SHUAA”)

Dividend Policy

Version 1.1
August 2017

1). General Provisions

1.1. This dividend policy ("Policy") of SHUAA Capital PSC ("Company") has been prepared in accordance with applicable laws and due consultation with the Board of Directors.

1.2. The purpose of this policy is to underline the considerations of Company's procedures on all dividend related matters.

2). Definitions

"Annual Dividend" shall mean the dividends declared by the Company in respect of the last six months of the relevant Fiscal Year.

"Annual Dividend Declaration Date" shall mean the date on which the Shareholders resolve in a General Meeting to approve distribution of annual dividends.

"Board of Directors" shall mean the Board of Directors of the Company.

"Business Day" shall mean a day on which banks are open for general business in the United Arab Emirates.

"Dividend Covenant" means any dividend payment restrictions in place as part of Company's debt obligations.

"Fiscal Year" shall mean in relation to the Company, the twelve months' period starting from 1st January of a given year and ending on 31st December of that year.

"General Meeting" shall mean the shareholder meeting of the Company.

"Interim Dividend Declaration Date" shall mean the date on which the Shareholders resolve in a General Meeting to approve distribution of interim dividends.

"Interim Dividends" shall mean the dividends related to the first three, six or nine months of the Fiscal Year of the Company.

"Net Profit" shall mean the net profit of the Company calculated in accordance with the Company's accounting standards and as stated in the profit and loss statement of the Company's financial statements for the relevant reporting period.

"Payment Date" shall be any date on or before thirtieth day after the Interim Dividend Declaration Date or the Annual Dividend Declaration Date.

"Record Date" shall mean the tenth day following the Interim Dividend Declaration Date or the Final Dividend Declaration Date, as the case may be. The Record Date must be a Business Day. In case the Record Date falls on a day that is not a Business Day, the Record Date shall be the day that is the next Business Day.

"Shareholder" shall mean a natural or legal person or institution who is an owner of shares in the Company as at the relevant Record Date.

3). Dividend Provisions

3.1. Shareholders may pass a resolution to approve dividends as per recommendations by Board of Directors, at the General Meeting of the Company. The Interim and the Annual Dividends shall be paid within the relevant Payment Date, and, (i) in respect of the Interim Dividends, following the approval of the financial statements for the relevant interim period of the Fiscal Year by the Board of Directors and approval to pay Interim Dividend by the Board of Directors; and (ii) in respect of the Annual Dividends, following the approval of financial statements of the Company for the relevant Fiscal Year and approval of the Annual Dividends at the General Meeting of the Company.

3.2. The Company's profits for any Fiscal Year shall be first applied and paid toward extinguishing all retained loss of the Company before any proposed dividend is determined, recommended or paid.

3.3. Any proposed dividends would be paid out in cash.

3.4. At the General Meeting, the Shareholders shall approve, based on recommendation of the Board of Directors, the proportion of Net Profit to be declared for distribution to the Shareholders as dividends. In any Fiscal Year, subject to the satisfaction of Dividend Covenants, the Board of Directors shall endeavor to recommend at least 50% of Net Profit, excluding the Company's retained losses, for that Fiscal Year to be distributed as proposed dividend for the respective Fiscal Year.

3.5. If a Dividend Covenant is in place on this Dividend Policy date, the Board of Directors shall endeavor to remove such covenant at the earliest possible. For any future indebtedness or other capital raise by the Company that introduces a Dividend Covenant, such indebtedness or capital raise shall require an approval of at least 75% of the Board of Directors prior to such indebtedness or capital raise being approved by the Board of Directors.

4). Principles of the Dividend Policy

Under this Policy, the Company will consider the following principles in determining the dividend amounts to be declared:

- Balancing between Company's funding needs to sustain long term growth and Shareholders reward in the form of dividends;
- Complying with regulatory capital obligations before determining the dividend amount;
- Preserving the financial stability of the Company, and complying with Dividend Covenants, if any;
- Ensuring sustainable growth of the Company given the prevailing macroeconomic factors; and
- Protection of Shareholder rights.

5). Dividend Determination

5.1. The Board of Directors will recommend dividend to be distributed to Shareholders after evaluating the above-mentioned principles and based on criteria in this section.

5.2. The Board of Directors may increase or decrease dividends after evaluating factors including but not limited to:

- Investment opportunities
- Debt level
- Financial covenants
- Interim and Fiscal Year financial performance
- Proceeds from Settlement Assets divestment, either in whole or in part
- State of the capital markets
- Impact on the Corporate Credit Rating
- Regulations
- Other relevant factors

6). Amendments

3.1. This Policy has been approved by the Board of Directors and shall take effect from 31 August 2017.

3.2. The Board of Directors will review the Policy on an ongoing basis and has the right to amend, add or remove provisions of this Policy.