EITC Dividend Policy

Background

The Emirates Integrated Telecommunications Company (EITC or the Company) dividend policy provides guidance on the company's dividend distribution philosophy and principles. It provides a clear policy statement on the determination of how much dividend to pay, the frequency of payments and the approval model.

The dividend policy has been prepared in accordance with the regulations of the Securities and Commodities Authority (SCA) and the EITC's Articles of Association.

Policy statements

a. The dividends shall be paid to shareholders pursuant to the regulations, decrees and circulars issued by the SCA in this regard.

b. As a responsible organization, dividend will be paid only out of the current year net income or operating profits. The dividend payout ratio shall not exceed 100% of the company's net income after royalties, after withholding the statutory reserves.

c. EITC will strive to maintain a constant annual Dividends per Share (DPS) of AED 0.35. The Board of Directors may increase or decrease the DPS depending on a number of factors including, but not limited to the following:

   - Profit for the year, after withholding the statutory reserves and settling the Royalty fees.
   - Cash flow requirements (short and long term) and availability.
   - Business need(s) that might require retention of cash/profit.
   - Investment (e.g. acquisition) opportunities.
   - Capital structure
   - Funding and/or loan covenant requirements.
   - Market or economic conditions.

- Other financial and non-financial conditions that may be impacted by such dividend distribution.

d. The Board will endeavour to distribute dividends when possible. However, as not all of the above factors are within the Company's control, there can be no guarantee that in any given year a dividend will be proposed or declared.

e. Dividends can be paid twice a year (interim and final); interim dividend can be determined and approved for payment by EITC's Board of Directors (BoD) while the Company's General Assembly ratifies and approves the interim and final/full year dividend respectively, at the Annual General Meeting. The life of the EITC dividend policy shall be three (3) years, after which the BoD may propose changes for the AGM's approval for another three (3) years.

Policy approval and date(s)

This Policy shall be reviewed and endorsed by the EITC's Board for the Company's shareholders consideration and approval at the AGM. The Policy will be effective from 1 January 2019.

All amendments will be done in compliance with all applicable laws, articles and any other such document as indicated above.